

**JOE MOROLONG**  
LOCAL MUNICIPALITY

## **ANNUAL REPORT 2015/2016**

REVISED ANNUAL REPORT TEMPLATE.....	7
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY.....	7
COMPONENT A: MAYOR’S FOREWORD .....	7
COMPONENT B: EXECUTIVE SUMMARY .....	10
1.1. MUNICIPAL MANAGER’S OVERVIEW.....	10
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	
12	
1.3. SERVICE DELIVERY OVERVIEW.....	199
1.4. FINANCIAL HEALTH OVERVIEW.....	20
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW.....	211
1.6. AUDITOR GENERAL REPORT .....	244
1.7. STATUTORY ANNUAL REPORT PROCESS .....	245
CHAPTER 2 – GOVERNANCE .....	266
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	266
2.1 POLITICAL GOVERNANCE.....	266
2.2 ADMINISTRATIVE GOVERNANCE .....	1147
COMPONENT B: INTERGOVERNMENTAL RELATIONS .....	1155
2.3 INTERGOVERNMENTAL RELATIONS.....	115
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	116
2.4 PUBLIC MEETINGS .....	116
2.5 IDP PARTICIPATION AND ALIGNMENT.....	117
COMPONENT D: CORPORATE GOVERNANCE.....	120
2.6 RISK MANAGEMENT.....	120
2.7 ANTI-CORRUPTION AND FRAUD .....	120
2.8 SUPPLY CHAIN MANAGEMENT.....	120
2.9 BY-LAWS .....	1201
2.1 WEBSITES .....	122
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	123
CHAPTER 3 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	123
COMPONENT A: BASIC SERVICES .....	124
3.1 WATER PROVISION.....	1256

3.2 WASTE WATER (SANITATION) PROVISION .....	1400
3.3 ELECTRICITY .....	144
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) .....	1500
3.5 HOUSING .....	1555
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT .....	1577
COMPONENT B: ROAD TRANSPORT .....	159
3.7 ROADS .....	15959
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	
3.9 WASTE WATER (STORMWATER DRAINAGE) .....	1655
COMPONENT C: PLANNING AND DEVELOPMENT .....	1655
3.10 PLANNING .....	165
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES) .....	170
COMPONENT D: COMMUNITY & SOCIAL SERVICES .....	1744
3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) .....	1744
3.13 CEMETORIES AND CREMATORIIUMS .....	1777
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES .....	178
3.21 FIRE .....	17979
COMPONENT H: SPORT AND RECREATION .....	1821
3.23 SPORT AND RECREATION .....	1822
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES ....	1833
3.24 EXECUTIVE AND COUNCIL .....	1834
3.25 FINANCIAL SERVICES .....	1844
3.26 HUMAN RESOURCE SERVICES .....	1877
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY(ICT) SERVICES	1922
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES .....	1883
COMPONENT J: MISCELLANEOUS .....	193
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD .....	1944
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	1944
(PERFORMANCE REPORT PART II) .....	1944
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	1944
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	195
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	197

4.2 POLICIES .....	192
4.3 INJURIES, SICKNESS AND SUSPENSIONS .....	198
4.4 PERFORMANCE REWARDS .....	198
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	199
4.5 SKILLS DEVELOPMENT AND TRAINING .....	199
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE .....	200
4.6 EMPLOYEE EXPENDITURE .....	200
CHAPTER 5 – FINANCIAL PERFORMANCE .....	201
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE .....	2032
5.1 STATEMENTS OF FINANCIAL PERFORMANCE .....	2043
5.2 GRANTS.....	206
5.3 ASSET MANAGEMENT .....	2099
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS .....	2111
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET .....	2166
5.5 CAPITAL EXPENDITURE .....	216
5.6 SOURCES OF FINANCE .....	216
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS .....	219
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW .....	219
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....	221
5.9 CASH FLOW .....	221
5.10 BORROWING AND INVESTMENTS.....	2244
5.11 PUBLIC PRIVATE PARTNERSHIPS.....	225
COMPONENT D: OTHER FINANCIAL MATTERS .....	225
5.12 SUPPLY CHAIN MANAGEMENT.....	225
5.13 GRAP COMPLIANCE.....	2256
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	2266
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1.....	2266
6.1 AUDITOR GENERAL REPORTS Year -1 (Previous year) .....	2266
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR) .....	2277
6.2 AUDITOR GENERAL REPORT YEAR 0.....	2278
GLOSSARY.....	2299
APPENDICES .....	230



APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .....	
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY.....	
APPENDIX E – WARD REPORTING .....	
APPENDIX F – WARD INFORMATION .....	
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0.....	
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE .....	
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS.....	
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE .....	
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG .....	
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES .....	
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0 .....	
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0.....	
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION.....	
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY .....	

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL  
GOVERNMENT .....

VOLUME II: ANNUAL FINANCIAL STATEMENTS .....

## **COMPONENT A: MAYOR'S FOREWORD**

### **VISION**

A healthy and prosperous local community with equal access to basic services and sustainable development opportunities

### **KEY POLICY DEVELOPMENTS**

Council has adopted the IDP, Budget and SDBIP for the year under review and these tools have propelled the Municipality to continue to improve the livelihoods of our residents and contribute to the economic growth. There are numerous other policies which Council adopted in order to improve the monitoring and evaluation as well as to improve oversight role played by Councillors and prioritization of activities.

### **KEY SERVICE DELIVERY IMPROVEMENTS**

The Service Delivery, Budget and Implementation Plan (SDBIP) have been prepared in consultation with internal and external stakeholders. The Municipality has over the years assessed its performance annually. Performance results are used to inform planning processes every year. Through the SDBIP, council monitor performance on service delivery on quarterly bases, mid-year and annually.

### **PUBLIC PARTICIPATION**

The government adopted a "Back-to-Basics" intervention on local government and called for immediate actions to make local government deliver more efficiently on basic services, including water and sanitation, electricity, human settlements and roads. The emphasis is based on the need to deploy skilled and qualified staff into key municipal posts, and strengthen accountability and political management.

To us getting back-to-basics means "providing these services in a professional and caring manner that recognizes the human dignity of each resident. Actively communicating and interacting with the community in every ward". Operation Tsiboga has been the Council's machinery to achieve optimum results in terms of delivering basic service to the community.

The Municipality has seen a drastic decline in the number of Community queries as hotline is in full operation with turnaround time of 48 hours to attend to all community queries. Community and Ward Committee meetings are held on regular basis.

The resuscitation of the Speaker's Forum resulted in number of queries attended by Councillors timeously. Stakeholders relations has also been intensified by the

number of events held which number of stakeholders especially the Mines were involved from inception of programs until the end. Regular IDP Representative Forum also create a suitable platforms where Sector Departments and Mining houses tabled their plans and incorporated with those of the Municipality.

Additionally, The Municipality embarked on a process of consultation with local community and presented the IDP and Budget for the 2015/16 Financial Year in all wards successfully.

## **FUTURE ACTIONS**

As the Outgoing Council, It is our aspiration that the new Council will continue with legacy projects that we successfully flagged for this Municipality. Strengthening relations with Magosi/ Dikgosi and various stakeholders is of paramount importance for the growth and prosperity of Joe Morolong.

We still maintain that the importance of traditional leaders is needed in order to ensure the flow of developmental programmes and projects in the Joe Morolong area are enhanced. As it is our credence that service delivery in its entirety is a shared responsibility between municipalities and traditional leaders. The two arms cannot work in isolation, so they need each other to deal with challenges.

## **AGREEMENTS / PARTNERSHIP**

Our community solely depends on the municipality in terms of developments and it is also the only sphere of government which is closer to them. Joe Morolong Local municipality is also identified as the CRDP nodal area in the province, this municipality is faced with serious challenges in addressing backlogs regarding basic service i.e. water, sanitation, roads, electricity and refuse removals.

The Department of Cooperative Governance and Traditional Affairs in October 2011 developed a Draft Simplified IDP framework for smaller (B4) municipalities. This guide indicated the areas that we need to focus on fewer functions, with the support from various stakeholders in our instance is MISA. This will assist us to perform better. Our municipality fall under the classification 2 on the vulnerability index we are also ranked low on the National Treasury capacity classification

The Municipality has an ongoing relations and partnership with all stakeholders. Local Forums are utilized as platforms to facilitate this process on quarterly basis.

## CONCLUSION

In conclusion, let me take this opportunity to thank the Council of Joe Morolong Local Municipality, the Municipal Manager and his administration, Dikgosi, Sector Departments, and all Mining House in our jurisdiction, for a work well done during our term of Office as the Mayor. Working with a winning and dedicated team makes impossible tasks very possible.

As Council, the Legacy that we leaving behind is profound and It is our aspiration that Municipality will continue to give effect to its constitutional mandate and continue to provide basic services in order to improve the quality of life of our communities and further realize its vision of building a wealthy and prosperous local community with access to basic service and sustainable development opportunities.

Furthermore, we would like to wish the New Council all the best. Hoping that they will take courage in working together to improve the lives of our people, at the same contributing to the addressing of the socio-economic challenges that confront our Municipality. I quote, what the late President Nelson Mandela conveyed about taking leadership role and courage "I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid but he who conquers that fear." Close quotes

I thank you. Re a leboga..Tsela tsweu багаetsho

(Signed by :) \_\_\_\_\_  
Mayor

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1. MUNICIPAL MANAGER'S OVERVIEW**

We have great pleasure in introducing the 2015/16 Annual Report of the Joe Morolong Local Municipality which is both a legislative and

accountability requirement. In terms of Section 46 of the Local: Municipal Systems Act No. 32 of 2000 as amended and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No 56 of 2003, the Municipality must prepare an Annual Report for each financial year and the Mayor must table it within seven months after the end of each Financial Year.

The year under review had its share of successes and challenges from an administrative perspective. However, the Council has continued to strive towards the realisation of its vision to be "a wealthy and prosperous local community with equal access to basic services and sustainable development opportunities" which:

- ✓ Promotes a culture of good governance;
- ✓ Provides effective and efficient municipal services;
- ✓ Invests in the development and retention of human capital to service the local community and its community;
- ✓ Promotes social and equitable economic development;
- ✓ Ensures municipal sustainability and financial viability;
- ✓ Creates a safe and healthy environment; and
- ✓ Places Batho-Pele principles at the centre of service delivery

It is clear that Joe Morolong Local Municipality has achieved major success during the past years – in many instances under very difficult circumstances. There was no magic in achieving this but it was through becoming committed, dedicated and think positive for positive results. There were many lessons to be learnt along the road. The Municipality is, however, now much better equipped and geared towards service delivery than before. Given the current institutional memory, human resources and financial capacity of the Municipality, the IDP seeks to harness synergies and opportunities in the advances made towards the realization of the all-important goal of a better life for all.

In its history, the Municipality has experienced a number of challenges with respect to audit opinions received, clearly illustrating the necessity to implement a vigorous turnaround strategy. The Auditor General has expressed a qualified opinion for Joe Morolong Local Municipality for financial year 2013/14 and 2014/15. The audit opinion from the previous seven financial year was a disclaimer opinion.

The well-functioning of the Municipality is based on efficiency and effectiveness of resources which include the personnel and the equipment being used. The commitment was demonstrated by both Officials and the Honourable Councillors. In our Municipality we strongly observe the MFMA which regulates the way in which Municipal funds should be managed.

As a rural based Municipality with huge population we are always hoping to get assistance if possible from the National Treasury through the help of Auditor-General to fund our activities. As a rural Municipality we are not generating much revenue, this has negative impact on service delivery because the needs of the people are more than the revenue we get and the majority claim to be indigent relief.

Other challenges involves lack of housing, high rate of unemployment, poverty and crime. In ensuring that we fulfil our constitutional mandate as per chapter 7 of the Constitution of the Republic of South Africa, 1996 and Chapter 4 of Local Government: Municipal Systems Act (Act 32 of 2000) we call community meetings. These are not just mere meetings but allowing public to chart the way forward for our primary planning tool. They also play an imperative role in enhancing the IDP and also give Council through the use of Officials an opportunity to be problem solvers.

Joe Morolong Local Municipality will continue strive to satisfy the needs of the communities, capacitate employees and Councillors, and utilize our limited resources for the benefit of all. In an endeavour to enhance our service delivery in various departments we make sure to employ skilful people to perform services for which they are employed.

Working with political leadership, administration, and other organizations and stakeholders, I am confident that we will be able to accelerate service delivery, and ensure that we create a today that is better than yesterday and a tomorrow that is better than today.

On behalf of the Management of Joe Morolong Local Municipality we wish to express our appreciation for the political leadership and guidance given by the Speaker of Council, the Mayor and Executive Committee and the Councillors at large during this period. The dedication and support from management and the staff in general have made it possible to achieve the milestones covered thus far.

## **1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

### **1.2.1. Key performance Areas (KPA's)**

- Municipal transformation and institutional transformation
- Local Economic Development (LED)
- Basic Service Delivery
- Financial viability and financial management
- Good governance and community participation

### **1.2.2. Powers and Functions of the Municipality**

**The mandates of the municipality as contained in section 152 of the Constitution are:**

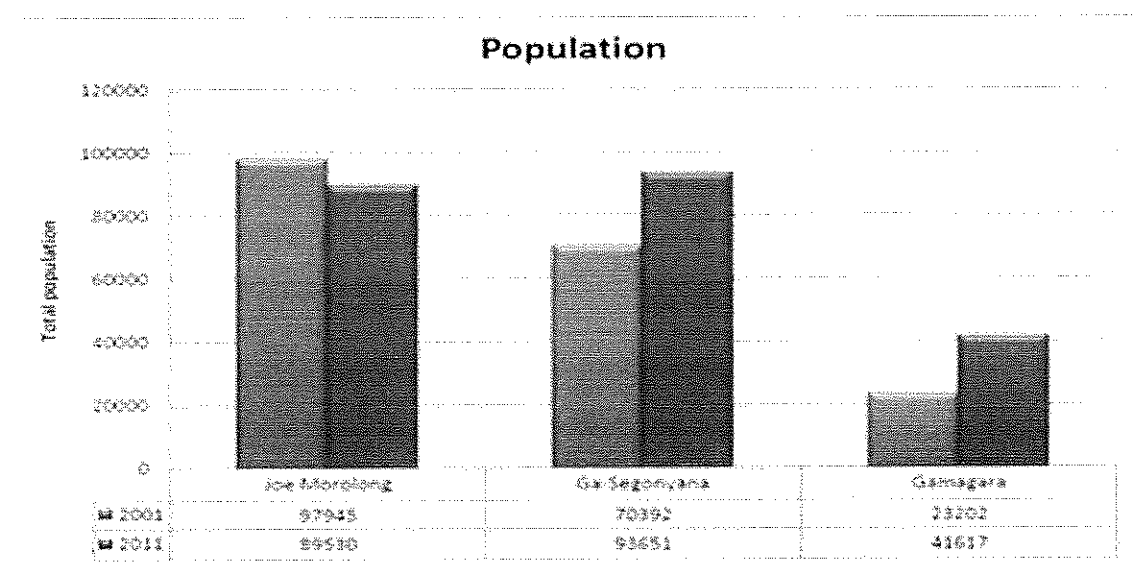
- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organizations in matters of local government

### **1.2.3. Functions that we perform as a Municipality**

- Cemeteries
- Municipal Planning
- Local Tourism and LED
- Sanitation
- Local Sports facilities
- Municipal roads
- Public spaces
- Street lighting
- Water reticulation
- Operation and maintenance of water
- Environmental awareness campaigns
- Fire fighting

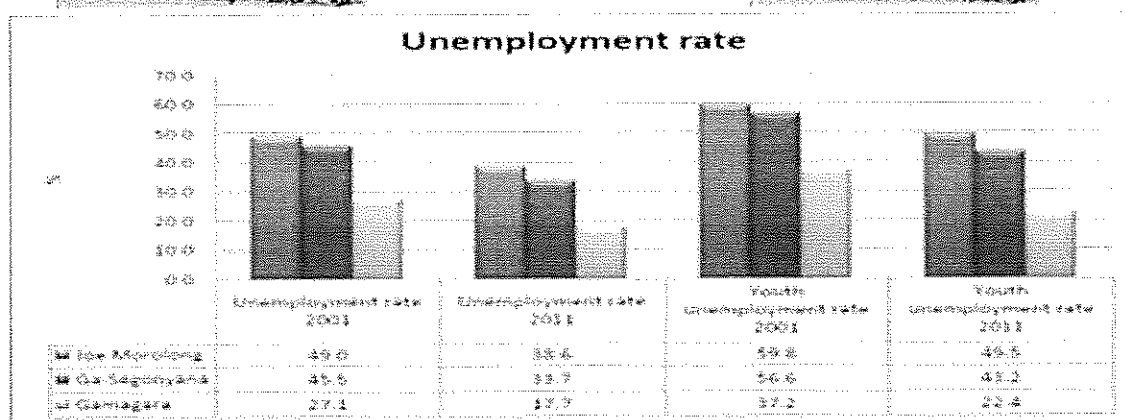


Population Details									
Age	Year -2			Year -1			Population '000		
	Mal e	Femal e	Tota l	Mal e	Femal e	Tota l	Mal e	Femal e	Total
Age: 0 - 4			0			0			12591
Age: 5 - 9			0			0			12144
Age: 10 - 19			0			0			19980
Age: 20 - 29			0			0			12633
Age: 30 - 39			0			0			9048
Age: 40 - 49			0			0			7644
Age: 50 - 59			0			0			7176
Age: 60 - 69			0			0			4533
Age: 70+			0			0			3777



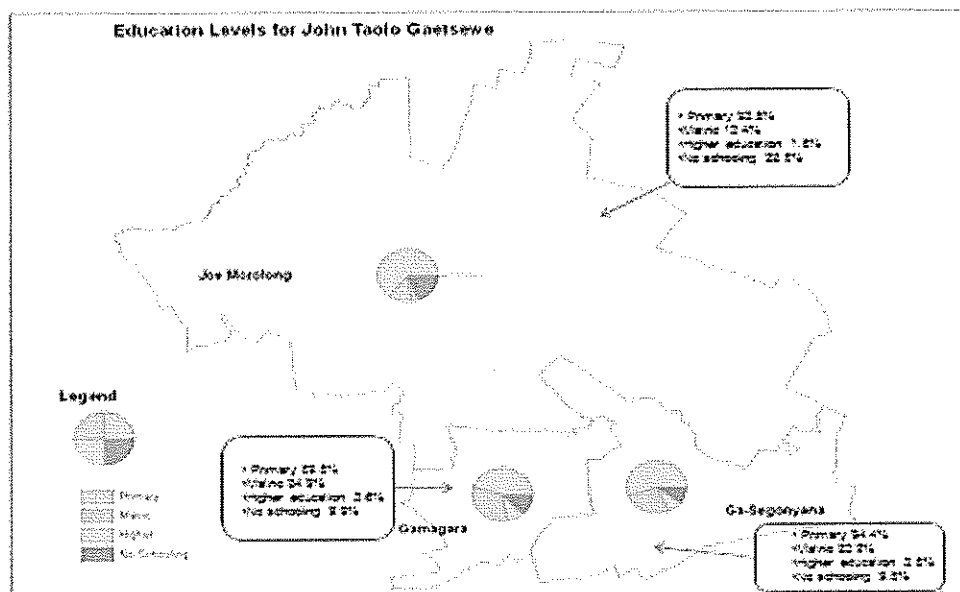
The South Africa I know, the Home I understand

## UNEMPLOYMENT RATE



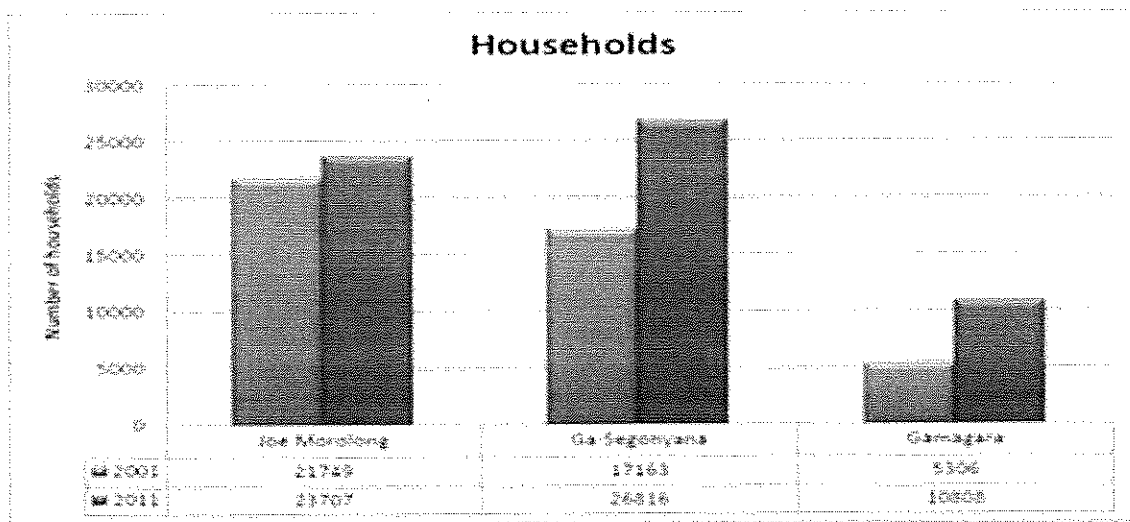
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## LITERACY RATE



The South Africa I know, the Home I understand

## HOUSEHOLDS



The South Africa I know, the Home I understand

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2						
Year -1		49%	Indigent register			22.8%
Year 0						

Overview of Neighbourhoods within 'Name of Municipality'		
Settlement Type	Households	Population
Towns		
Kuruman	17 163	93 689
Kathu	10 808	41 617
Sub-Total	0	0
Townships		
Mothibistad		
Kathu		
Dibeng		
Sub-Total	0	0
Rural settlements		
Ga Segonyana Villages		
Sub-Total	0	0
Informal settlements		
Mothibistad		
Sub-Total	0	0
Total	0	0

Natural Resources	
Major Natural Resource	Relevance to Community
Manganese	Contributes to infrastructure and socio-economic development

The composition of the population of the Joe Morolong municipal area has implications in a variety of areas and concerns. The first is the obvious need for the Municipality to respond to service delivery in terms of Government policy framework for the up-liftment of previously disadvantaged communities. In this regard, target groups would include women, youth and persons with disabilities. The second implications of the composition of the population are in terms of the composition of the staff establishment of the Municipality.

Employees of the Municipality are predominantly black with the main challenge in terms of employment equity to ensure increased access to employment opportunities to persons with disabilities and women. However, the skill shortage in the population area makes the achievement of these targets difficult.

The extremely high level of unemployment and poverty in the Joe Morolong municipal area is a serious cause of concern to the Council. There are a huge demand for educational facilities and institutions of higher learning in our area. The relationship between the high level of illiteracy in the area and the extremely unemployment and poverty levels are self-evident.

There are two critical issues that dominate policy and strategy issues regarding health in the Joe Morolong local municipality area, namely:

- Lack of, and inadequate access to health facilities, with specific reference to clinics; and
- The prevalence of HIV / Aids.

The main disadvantages for the Joe Morolong Local Municipality, in terms of its institutional capacity are:

- The rural and remote location of the municipal area; and
- Poverty-stricken population; resulting in very little of revenue, and huge dependency on government grants.

The high unemployment rate in the municipal area causes a long-term capacity problem, in terms of its restrictive result on access to education and skills development. The result is that limited capacity is generated in the community to appoint persons with sophisticated skills and competencies required to achieve the strategic goals and

objectives of the Municipality and give practical effect to the core functions for which it is responsible.

The high percentage of persons employed in elementary occupations in the area further confirms the employment and skills patterns in the Joe Morolong community. The result is that the Municipality is forced to "import" a high percentage of the specialized skills and competencies required to achieve its goals and objectives. The Municipality is seldom able to retain these skills because of the rural nature of the area and the incapability of the institution to offer competitive remuneration packages.

### **Measures to Improve Performance**

From a planning perspective, the IDP Review of the Joe Morolong Local Municipality has been driven by the following underlying principles:

- To ensure strategy alignment within the holistic national, provincial, district and local planning framework; including:
  - (i) Alignment with National Spatial Development Perspective, the Comprehensive Sustainable Rural Development Programme, and the National Government prescribed legislative and planning framework for strategic and performance planning by municipalities;
  - (ii) Targeted Government interventions, with specific reference to the Extended Public Works Programme and NDP.
  - (iii) Alignment with the Northern Cape Growth and Development Strategy; and
  - (iv) The growth and development priorities of the John Taolo Gaetsewe District Municipality.
- Structure the IDP (municipal strategy) in such a manner that it serves as the ultimate performance management reference document for the Municipality; meaning that the municipal objectives and strategies in the IDP must inform the performance indicators and targets of both the Municipal scorecard, as well as that of individual scorecards for section 57 managers in the Municipality.
- To formulate developmental objectives and strategies that reflects the unique challenges of the Joe Morolong Local Municipality.

### **The Municipality's Spatial Development Framework emphasizes the following to:**

- ☐ Provide appropriate and affordable housing to the homeless
- ☐ Provide appropriate and affordable water services at acceptable standards
- ☐ Provide appropriate and affordable sanitation services at acceptable standards
- ☐ Provide appropriate and affordable electricity/energy services of acceptable standards

- Provide appropriate and affordable communication services at acceptable standards

### **Major Natural Resources**

Mining, agriculture, tourism and manufacturing have been identified as the major natural resources and economic opportunities in the area. However, mining, being the main natural resource has not benefitted the communities as expected. Natural resource found in Joe Morolong is mainly manganese and diamond. The only form of benefit for the community is employment, labour. Majority of the residents of Joe Morolong if not all are not participating fully in the economy of the area which is driven by mining.

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### **1.3. SERVICE DELIVERY OVERVIEW**

We are obliged as a municipality to provide quality services to the communities within our municipal jurisdiction. As local municipality we are committed to making the lives of our citizenry better.

We have been able to provide services to the people as per our mandate. Our indigents have been receiving their free basic water and electricity without any hindrance. The collection of refuse in Hotazel and Vanzylsrus has been improved and we are collecting waste twice on a weekly basis.

Improvement in our tracing of debtors has impacted positively on our ability to collect revenue and it has increasing our collection rate.

Establishment of youth forums has assisted the municipality to interact with young people, both out of school, unemployed, employed and those in business as it is a structure that deals with challenges facing young people in our locality.

Functionality of ward committees has assisted the municipality to foster a close relationship with the community and community organizations and in identifying service delivery challenges and attending to them speedily.

#### **1.3.1 Achievements**

- Spend 100% of the MIG-, Refurbishment- and MWIG budgets
- Submitted AFS, Annual Performance Report, Annual Report and section 72 Report on time
- IDP consultation was successful and was implemented as planned
- IDP and budget adopted on time
- Performance agreement for senior managers signed on time
- We have established 15 ward committees of the 15 wards and they are functional

### 1.3.2 Challenges

- Municipal inability to complete infrastructure project on time
- Had to re-do IDP/Budget Community Consultations in some wards due to electioneering programs

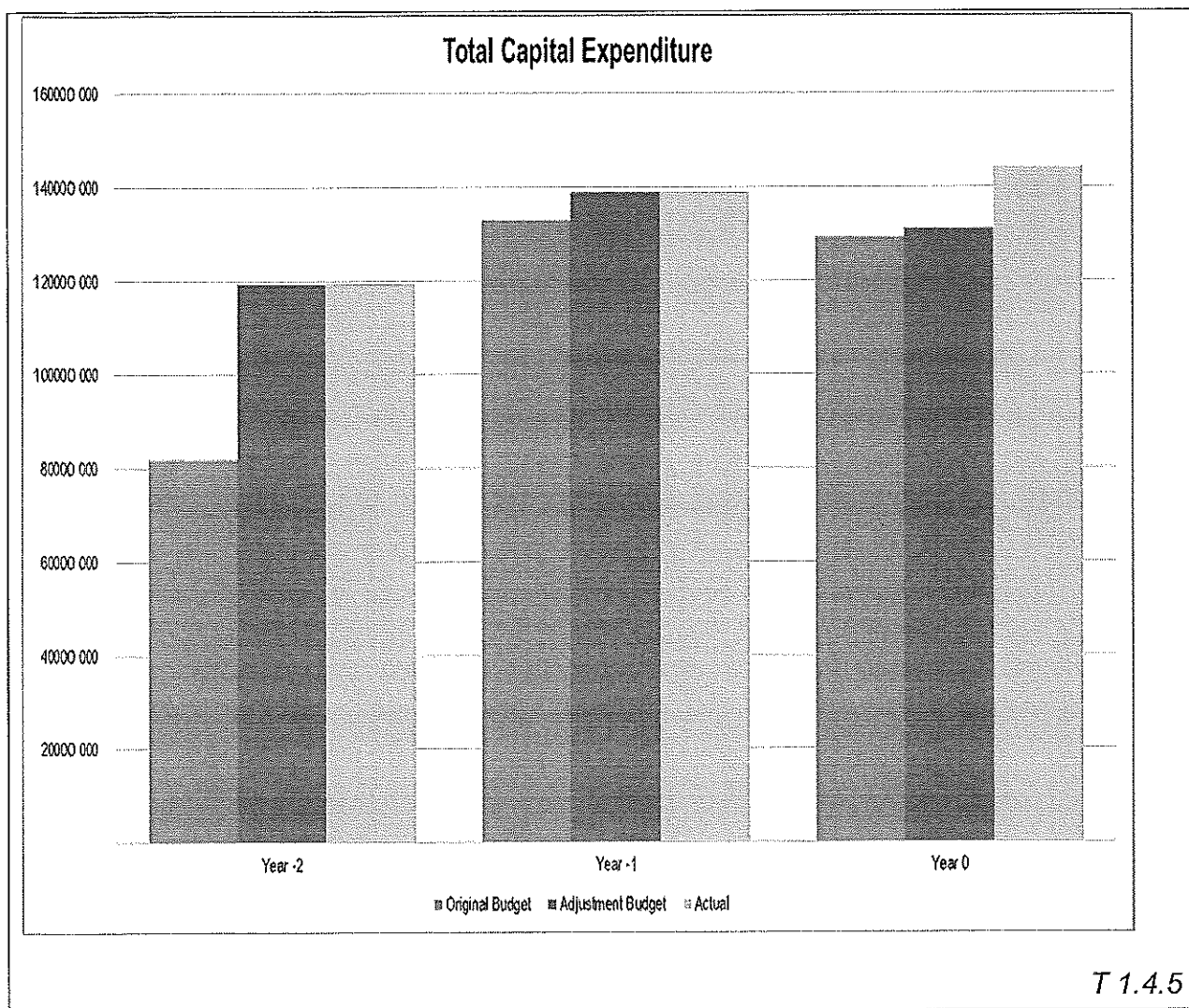
### 1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview: Year 0			
			R'000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	262 798	286 683	306 767
Taxes, Levies and tariffs	26 401	30 931	41 384
Other	839	11 347	12 710
Sub Total	290 038	328 962	360 861
Less: Expenditure			
Net Total*	290 038	328 962	360 861
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	35%
Repairs & Maintenance	17%
Finance Charges & Impairment	1%
	T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	81 859	133 095	129 224
Adjustment Budget	119 485	138 845	131 115
Actual	119 485	138 845	144 232
			T 1.4.4





## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### Corporate services overview

Corporate Services is responsible for the effective and efficient execution of all the supporting administrative functions that include support needed to attract, retain and develop talent in the municipality, the coordination of systems and processes, to enable the municipality to perform matters of service delivery.

The Corporate Services administers the Municipality's human resource development and management, political offices, labour relations, information technology, facilities management and records management.

## Staff establishment

There are 201 employees in the Municipality. The total number of posts as per the approved structure is 220, 19 is the number of vacant posts.

Table 4.1 Staff establishment as at 30 June 2016

Department	Employees	Vacancies	Total
Corporate services Department	30	01	31
Municipal Manager (Mayor, Speaker and MM)	12	02	14
Community Services	41	06	47
Technical Services Department	74	09	83
Finance Department	40	01	41
Planning and development Department	4	0	4
<b>TOTAL</b>	<b>201</b>	<b>19</b>	<b>220</b>

The following positions were filled during the current financial year

- ❖ Senior Manager: Income and Expenditure
- ❖ Manager: Financial Control
- ❖ Manager: Assistance Financial Control
- ❖ Senior LED Officer
- ❖ Supply Chain Management Clerk
- ❖ Committee Clerk
- ❖ Pay Roll Clerk
- ❖ Debt Collection Clerk
- ❖ Technical Clerk
- ❖ Store Clerk
- ❖ Register Clerk
- ❖ Leave Clerk
- ❖ Budget Management
- ❖ Asset Management Officer

- ❖ Supply Chain Management Officer 2
- ❖ Librarian
- ❖ General Workers 10
- ❖ Cleaner
- ❖ Operators 5
- ❖ Finance Trainees 5

**Total of vacant position filled was 39**

### **4.3 INJURIES ON DUTY AND SUSPENSIONS**

There was one injury on duty in the year under review and one suspension, and there was no dismissal.

### **4.5 SKILLS DEVELOPMENT AND TRAINING**

Table 4.2: Training

<b>Course name</b>	<b>Service provider</b>	<b>Total trained (officials)</b>	<b>Total trained (Councillors)</b>
Municipal Finance Management Programme	Triads Management Services	05	
Local Government Law and Administration.	Fort Hare University	01	05
Report writing and minutes taking	Masana Brainstorming	3	
VIP Protection	Body guard training	1	
ODETDP	PC Holdings	2	
HR and Payroll	Sebata	04	
Advanced Archives Record Management	Mzingeni Training	01	

Municipal Standard Charted of Accounts.	Mahube Training	04	
Basic Computer	Molapo Mosetlha	10	
<b>Total</b>		<b>31</b>	<b>5</b>
<b>Overall total</b>		<b>35</b>	

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The municipality got *disclaimer* audit opinion for the current financial year.

#### T 1.6.1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	

10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
T 1.7.1		

## ANNUAL REPORT PROCESSES

The annual report is intended to inform Council and the community about how we have performed as municipality financially and in achieving our targets as clearly set out in our IDP and SDBIP.

This report also highlights the achievements, challenges and areas that need improvement. Our successes are real and measurable and the fact that we were able to complete most of our infrastructure project is a pride to us, as it contributes not only to service delivery but as a stimulant for an increase in the economic activities.

IDP remains a critical tool that we utilize to plan for our short, medium and long term objectives. This annual report will highlight our improvement in performance and financial management. It will also reflect the changes in the growth of the municipality due to the variations in our demographics brought about by the incorporation of Holtazel and Vanzylsrus from the John Taolo District Municipality.

The municipality improved in the areas of been within the time lines as specified in the above template.

This template has been implemented fully during the year under review and the timeframes adhered to.

## **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

### **2.1 POLITICAL GOVERNANCE**

The Joe Morolong Local Municipality Council is the highest decision making organ and it governs the Municipality. Council is responsible for developing policies and plays an oversight role over the implementation of those policies.

The governance system of Joe Morolong Local Municipality is a mayoral system that has section 80 committees (HR and administration, Infrastructure, Planning and Development, Finance and IDP, Community Services, MPAC and Audit Committee which is a shared service with the John Taolo District Municipality).

The Mayor head municipality and fulfils this task by working together with the councilors. The Mayoral committee is functional and it ensures that there is integration of the work of Council between portfolio committee and respective departments.

The Municipal Council compromises of the governing and decision making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality by setting the course through the development of IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented.

### **AUDIT COMMITTEE**

Our Municipality didn't have an Audit Committee for the year under review.

**Primary functions of the audit committee include:**

- Monitoring the integrity of Council financial statements
- Reviewing the effectiveness of Council's internal control and risk management
- Overseeing the relationship between management and the municipality's external auditors
- The Committee will make recommendation to management via Council, resulting from activities carried out by the Committee in terms of the reference
- The compilation of reports to Council, at least twice during a financial year
- To review the quarterly reports submitted to it by the Internal Audit
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation
- Review audit results and actions plans implemented by management; and
- Making recommendations to Council and also carrying out its responsibility to implement the recommendations

### **Municipal Public Accounts Committee (MPAC)**

MPAC was established by Council on the 04<sup>th</sup> May 2012, resolution 68/2012. In terms of section 79 of the Municipal Structures Act, 117 of 1998.

**The committee is composed as follows**

<b>NAME</b>	<b>DESIGNATION</b>
Cllr Sephekololo G.M.	Chairperson
Cllr Molawa M.E.	Ward Councilor
Cllr Moagi O	Ward Councilor
Cllr Kgopodithata O.H	Ward Councilor



Cllr Mokweni N.	Ward Councilor
Cllr Matshidiso S.	Ward Councilor
Cllr Teteme T	Ward Councillor
Cllr Tihelo M	PR councillor
Cllr Mokgoje T	PR Councillor

Table 2.3

MPAC did consider the contents of the 2014/15 Annual Report and along with the Audit and Performance Committee submitted a report to Council in March 2015.

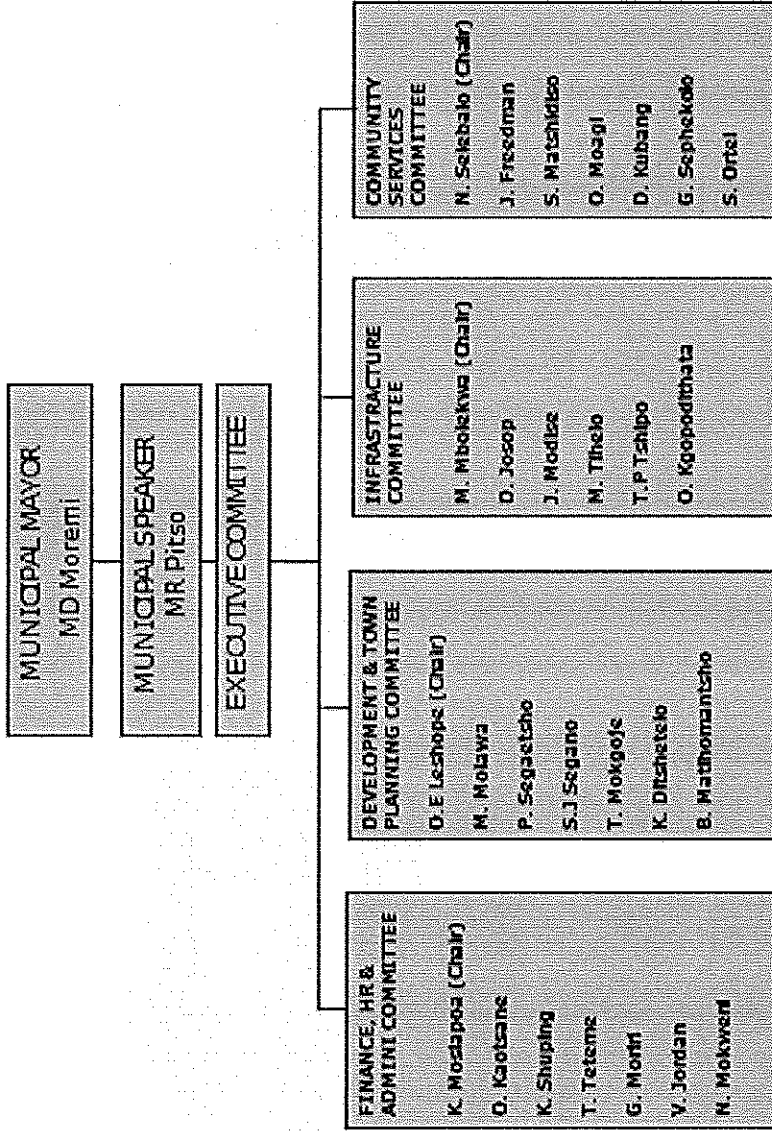
**Number of meetings and attendance: MPAC**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr Sephekolo G	05	05
2	Cllr Mokgoje T	05	02
3	Cllr Molawa E	05	05
4	Cllr Moagi O	05	04
5	Cllr Kgopodithata O	05	03
6	Cllr Mokweni N	05	01
7	Cllr Matshidiso S	05	03
8	Cllr Teteme T	05	02
9	Cllr Tihelo T	05	02

## POLITICAL STRUCTURE AND COMMITTEE ALLOCATIONS

NO OF EMPLOYEES: 23

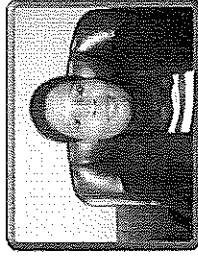
### JOE MOROLONG MUNICIPAL COUNCIL



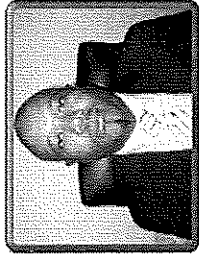
## EXECUTIVE COMMITTEE MEMBERS



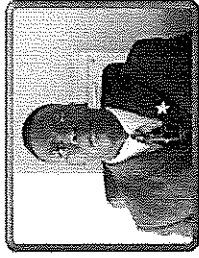
Cllr D. Moremi  
Mayor



Cllr M. Pitso  
Speaker



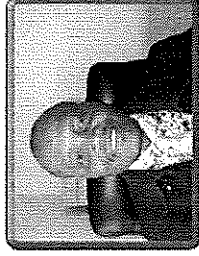
Cllr K. Mosiapo  
Chair: Finance and  
Human Resource



Cllr E. Leshope  
Chair: Development &  
Town Planning



Cllr N. Selebalo  
Chair: Community Services



Cllr M. Mbolekwa  
Chair: Infrastructure

## Governance structure of Joe Morolong Local Municipality

RESPONSIBLE FOR		OVERSIGHT	ACCOUNTABLE TO
Council	Approve policies	Mayor, committee and committee	Community
	Adopt IDP		
	Adopt the Budget		
Mayor	Policies, and	Municipal Manager	Council
	Budget outcomes		
	Oversight over the Municipal Manager		
Municipal Manager	Overall administration	The Municipal administration	To Council through the Mayor
CFO and other senior management	Administration of departments	Financial management and operational functions	Municipal Manager

Table 2.6

The Joe Morolong Council is constituted of 29 Councillors, 15 ward councillors and 14 proportional representation. The parties in Council are illustrated below.

Political parties in Council

POLITICAL PARTY	TOTAL SEATS	WARD SEATS	PROVINCIAL SEATS
ANC	23	15	8
COPE	3	-	3
DA	1	-	1
UCDP	2	-	2
<b>TOTAL</b>	<b>29</b>	<b>15</b>	<b>14</b>

Table 2.7

PORTFOLIO COMMITTEES

PORTFOLIO COMMITTEE	CHAIRPERSON
Finance, Human Resource and Administration	Cllr K. Mosiapo
Development and Town Planning	Cllr OE Leshope
Infrastructure	Cllr MB Mbolekwa
Community Services	Cllr N Selebalo

Table 2.8

**Number of meetings during the financial year**

TYPE OF MEETING	NO. OF SCHEDULED METINGS	NO. OF MEETINGS THAT REACHED QOURUM
Council	04	04
Exco	04	04
Special Council	05	05

Table 2.4

**Number of meetings per portfolio committee**

NAME OF COMMITTEE	NO. OF SCHEDULED MEETINGS	NO. OF MEETINGS THAT REACHED A QUORUM
Finance, Human Resources and administration	04	04
Infrastructure	04	04

Development and Town Planning	04	04	04
Community Services	04		04
MPAC	05		05

Table 2.5

**Full list of Councillors, committee allocation, and attendance to meetings**

NO.	NAME	WARD/PR	EXCO
1	Cllr D.M. Moremi	PR	Mayor
2	Cllr BM Mbolekwa	PR	Yes
3	Cllr K.J. Mosiapoe	PR	Yes
4	Cllr N Selebalo	PR	Yes
5	Cllr OE Leshope	PR	Yes
6	Cllr M.Pitso	PR	Speaker

7	Cllr G.M. Sephekolo	Ward Councilor	No
8	Cllr S. Matshidiso	Ward Councilor	No
9	Cllr V. Jordan	PR	No
10	Cllr M. Tihelo	PR	No
11	Cllr L. Lobega	PR	No
12	Cllr J. Segano	PR	No
13	Cllr J. Freedman	PR	No
14	Cllr O. Kaotsane	Ward Councilor	No
15	Cllr I.S. Ortel	Ward Councilor	No
16	Cllr D. Kubang	Ward Councilor	No
17	Cllr P. Segaecho	Ward Councilor	No
18	Cllr D. Josop	Ward Councilor	No
19	Cllr O.H. Kgopodithata	Ward Councilor	No



20	Cllr B Mathomantsho	PR	No
21	Cllr G.G.Moriri	Ward Councilor	No
22	Cllr O. Moagi	Ward Councilor	No
23	Cllr K. Ditshetelo	PR	No
24	Cllr K. Shuping	Ward Councilor	No
25	Cllr E.M. Molawa	Ward Councilor	No
26	Cllr J.Modise	Ward Councilor	No
27	Cllr N. Mokweni	Ward Councilor	No
28	Cllr T. Mokgoje	PR	No
29	Cllr T. Teteme	Ward Councilor	No

## ATTENDANCE TO MEETINGS

### EXCO

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr MD Moremi	04	04
2	Cllr BM Mbolekwa	04	04
3	Cllr K.J. Mosiapoe	04	04
4	Cllr N Selebalo	04	04
5	Cllr OE Leshope	04	04

#### ATTENDANCE TO SPECIAL COUNCIL MEETINGS

NO.	NAME	NO. OF MEETINGS	NO. OF MEETINGS ATTENDED
1	Cllr Ditshetelo	05	04
2	Cllr BM Mbolekwa	05	04
3	Cllr MD Moremi	05	05
4	Cllr N Selebalo	05	05
5	Cllr OE Leshope	05	04

6	Cllr M. Pitso	05	04
7	Cllr G.M. Sephekolo	05	04
8	Cllr S. Matshidiso	05	04
9	Cllr V. Jordan	05	01
10	Cllr M. Tihelo	05	04
11	Cllr L. Lobega	05	02
12	Cllr J. Segano	05	04
13	Cllr J. Freedman	05	03
14	Cllr O. Kaotsane	05	02
15	Cllr I.S. Ortel	05	00
16	Cllr D. Kubang	05	04
17	Cllr P. Segaecho	05	05
18	Cllr D. Josop	05	05

19	Cllr O.H. Kgopodithata	05	05
20	Cllr B Mathomantsho	05	01
21	Cllr G.G.Moriri	05	05
22	Cllr O. Moagi	05	03
23	Cllr K. Mosiapoe	05	05
24	Cllr K. Shuping	05	04
25	Cllr E.M. Molawa	05	04
26	Cllr J.Modise	05	04
27	Cllr N. Mokweni	05	04
28	Cllr T. Mokgoje	05	04
29	Cllr T. Teteme	05	05

#### ATTENDANCE TO ORDINARY COUNCIL MEETINGS

NO.	NAME	NO. OF SCHEDULED MEETINGS	NO. OF MEETINGS ATTENDED
1	Cllr Ditshetelo	04	04
2	Cllr BM Mboleka	04	04
3	Cllr MD Moremi	04	04
4	Cllr N Selebalo	04	02
5	Cllr OE Leshope	04	03
6	Cllr M. Pitso	04	04
7	Cllr G.M. Sephekolo	04	04
8	Cllr S. Matshidiso	04	02
9	Cllr V. Jordan	04	03
10	Cllr M. Tihelo	04	03
11	Cllr L. Lobega	04	02

12	Cllr J. Segano	04	03
13	Cllr J. Freedman	04	02
14	Cllr O. Kaotsane	04	03
15	Cllr I.S. Ortel	04	00
16	Cllr D. Kubang	04	04
17	Cllr P. Segaecho	04	04
18	Cllr K.J. Mosiapoe	04	04
19	Cllr O.H. Kgopodithata	04	04
20	Cllr B Mathomantsho	04	03
21	Cllr G.G.Moriri	04	04
22	Cllr O. Moagi	04	02
23	Cllr D Josop	04	04
24	Cllr K. Shuping	04	03

25	Cllr E.M. Molawa	04	03
26	Cllr J. Modise	04	02
27	Cllr N. Mokweni	04	03
28	Cllr T. Mokgoje	04	04
29	Cllr T. Teteme	04	03

**ATTENDANCE TO PORTFOLIO COMMITTEE MEETINGS  
FINANCE, HUMAN RESOURCES AND ADMINISTRATION**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr K Mosiapoe	04	04
2	Cllr O. Kaotsane	04	00

3	Cllr V. Jordan	04	02
4	Cllr N. Mokweni	04	03
5	Cllr K. Shuping	04	03
6	Cllr T. Teteme	04	03
7	Cllr G Moriri	04	04

#### INFRASTRUCTURE

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr MB Mbolekwa	04	03
2	Cllr D. Josop	04	04
3	Cllr J. Modise	04	04
4	Cllr L. Lobega	04	02



5	Cllr M. Tihelo	04	00
6	Cllr O Kgodithata	04	04

#### DEVELOPMENT AND TOWN PLANNING

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr E Leshope	04	02
2	Cllr E Molawa	04	04
3	Cllr J Segano	04	04
4	Cllr P Segaecho	04	04
5	Cllr K Ditshetelo	04	03
6	Cllr T Mokgoje	04	02
7	Cllr B Mathomantsho	04	02

#### COMMUNITY SERVICES

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr N Selebalo	04	02
2	Cllr G.M. Sephekolo	04	04
3	Cllr S. Matshidiso	04	04
4	Cllr J.Freedman	04	02
5	Cllr O. Moagi	04	01
6	Cllr S Ortel	04	00
7	Cllr D Kubang	04	04

#### **POLITICAL DECISION MAKING**

Council is the highest decision making body in the Municipality with legislative and executive powers to direct the municipality politically. Powers of Council are clearly outlined in Section 12 of Municipal Structures Act.

Council sits 4 times a year and a schedule for Council meetings was adopted on the 27 May 2014. Mayor exercises her duties in terms of Section 55 of the Municipal Structures Act. She convenes executive committee meetings on a monthly basis to receive and consider reports from other committees and to formulate recommendations for Council. EXCO ensures the integration of the work of Council across the portfolio committees and departments.

The Speaker is the chairperson of Council and chairs all the meetings. She also oversees the functions of the council committee system. Committees of Council meet on a quarterly basis to formulate recommendations from their respective portfolio committees. The Speaker also monitors the work of councilors in the holding of community meetings and ward committee meetings. She also receives a quarterly report on ward committees meetings and issues they have raised, she then tables the report in Council for decisions to be made in areas that need services.

### **RESOLUTION REGISTER: 2015/ 16 FINANCIAL YEAR**

13 AUGUST 2015	ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	RESPONSIBLE PERSON	IMPLEMENTED	
					YES	NO
	7.2.1.	<ul style="list-style-type: none"> <li>That council accept the report on Remuneration of Municipal Employees for the period ending 30<sup>th</sup> June 2015</li> </ul>	Res :284/2015/16	CFO	✓	
	7.2.2	<ul style="list-style-type: none"> <li>That council accept the management report for the period ending 30<sup>th</sup> June 2015</li> </ul>	Res : 285/2015/16	CFO/ Mr Molalwe	✓	
	7.2.3	<ul style="list-style-type: none"> <li>That council take note of the Banking and Withdrawal report for the period 1<sup>st</sup> April- 30<sup>th</sup> June 2015</li> </ul>	Res : 286/2015/16	CFO	✓	
	7.2.4	<ul style="list-style-type: none"> <li>That council take note of the Bank Reconciliation Statement for the period 1<sup>st</sup> April 2015-30<sup>th</sup> June 2015</li> </ul>	Res : 287/2015/16	CFO	✓	
	7.2.5	<ul style="list-style-type: none"> <li>That the council accept the Cash Book report for the period ending 31<sup>st</sup> June 2015</li> </ul>	Res :	CFO	✓	

			288/2015/16			
7.2.6	<ul style="list-style-type: none"> <li>▪ That council accept the section 71 and grand expenditure report for the month ending 30<sup>th</sup> May 2015</li> <li>▪ That council accept the section 71 and grand expenditure report for the month ending 31<sup>st</sup> May 2015</li> <li>▪ That council accept the section 71 and grand expenditure report for the month ending 30<sup>th</sup> May 2015</li> </ul>	<p>Res : 289/2015/16</p> <p>Res : 290/2015/16</p> <p>Res : 291/2015/16</p>	CFO	✓		
8.1	<ul style="list-style-type: none"> <li>▪ That council adopt of the Joe Morolong Local Municipality Reviewed fleet management policy</li> </ul>	Res : 292/2015/14		✓		
8.2	<ul style="list-style-type: none"> <li>▪ That council adopt the Joe Morolong Local Municipality Reviewed Communications policy</li> </ul>	Res : 293/2015/16		✓		
8.4	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong skills development report for the period ending 30<sup>th</sup> June 2015</li> </ul>	Res : 294/2015/16		✓		
8.5	<ul style="list-style-type: none"> <li>▪ That council take note of the resignation letter from Mr Thamane Itumeleng</li> <li>▪ That the position should be advertised and filled as a matter of urgency</li> </ul>	Res : 295/2015/16		✓		
8.6	<ul style="list-style-type: none"> <li>▪ That council take note of the Joe Morolong Employment Equity plan</li> </ul>	Res : 296/2015/16		✓		
8.7	<ul style="list-style-type: none"> <li>▪ That council take note of the Circular No... on feedback and consultation session on the main collective agreement and salary</li> </ul>	Res :		✓		

		negotiations	297/2015/16			
		▪				
ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	IMPLEMENTED	YES	NO	
8.8	▪ That council take note of the Joe Morolong resolution register for the fourth quarter: 2014/15 financial year	Res : 298/2015/16	✓			
9.1	▪ That council accept the projects management unit project progress report for the period ending 30 <sup>th</sup> June 2015	Res : 299/2015/16	✓			
9.2	▪ That council accept the progress report on SLP funded infrastructure projects for the period, April to June 2015	Res : 300/2015/16	✓			
9.3	▪ That council accept the refurbishment Grant process report for the period ending 30 <sup>th</sup> June 2015.	Res : 301/2015/16	✓			
9.4	▪ That council accept the Regional Bulk infrastructure Grant projects progress report for the period ending 30 <sup>th</sup> June 2015.	Res : 302/2015/16	✓			
9.5	▪ That council take note of the Municipal Infrastructure Grant projects progress report	Res : 303/2015/16	✓			

9.6	▪ That council ACCEPT the Municipal water infrastructure Grant Report for the period ending 30 <sup>th</sup> June 2015	Res : 304/2015/16	✓	
ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	IMPLEMENTED	
			YES	NO
9.8	▪ That council accept the motor Grader report for the period ending 30 <sup>th</sup> June 2015	Res : 305/2015/16	✓	
9.9.1	▪ That council accept the water quality report for the period ending 30 <sup>th</sup> June 2015	Res : 306/2015/16	✓	
9.9.2	▪ That council take note of the Blue Drop improvement plan for the 2015/16 financial year	Res : 307/2015/16	✓	
9.9.3	▪ That council take note of the Green Drop improvement plan for the 2015/16 financial year	Res : 308/2015/16	✓	
9.10	▪ That council accept the water operation and maintenance report for the period ending 30 <sup>th</sup> June 2015	Res : 309/2015/16	✓	
9.11	▪ That council accept the progress report on Cassel Yard Connection pilot project for the period ending 30 <sup>th</sup> June 2015	Res : 310/2015/16	✓	
9.12	▪ That council take note of the Joe Morolong water safety plan	Res : 311/2015/16	✓	

9.13	<ul style="list-style-type: none"> <li>That council take note of the Joe Morolong Municipality water services development plan</li> </ul>	Res : 312/2015/16		✓	
ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	IMPLEMENTED		
			YES	NO	
9.14	<ul style="list-style-type: none"> <li>That council take note of the Labour Report of job opportunities created on capital projects</li> </ul>	Res : 313/2015/16	✓		
9.15	<ul style="list-style-type: none"> <li>That council take note of the report of the Nominated Sub-Contractor</li> </ul>	Res : 314/2015/16	✓		
9.17	<ul style="list-style-type: none"> <li>That council empower the Mayor to identify two villages with different ground water protocols for the erection of Envirosan units</li> </ul>	Res : 315/2015/16	✓		
9.18	<ul style="list-style-type: none"> <li>That council take note of the fleet Management report for the period 1<sup>st</sup> April 2015-30<sup>th</sup> June 2015</li> </ul>	Res : 316/2015/16	✓		
10.1	<ul style="list-style-type: none"> <li>That council adopt the Municipal Quarterly Report for the Fourth Quarter, 2014/15</li> </ul>	Res : 317/2015/16	✓		
10.2	<ul style="list-style-type: none"> <li>That council adopt performance contracts of the Accounting Officer and Managers reporting directly to the Accounting Officer</li> </ul>	Res : 318/2015/16	✓		
10.3	<ul style="list-style-type: none"> <li>That the following changes have to be done to the process plan</li> </ul>	Res : 319/2015/16	✓		

ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	IMPLEMENTED	YES	NO				
10.4	<ul style="list-style-type: none"> <li>That council take note of the progress report regarding the implementation of SPLUMA</li> </ul>	Res : 320/2015/16	✓						
10.5	<ul style="list-style-type: none"> <li>That council accept the application for subdivision on the portion of the Farm Skoolplaas, Vanzylsrus.</li> </ul>	Res : 321/2015/16	✓						
10.6	<ul style="list-style-type: none"> <li>That council approve the consent use of the 800m for operation of the shop by Mr Benson Mothibedi</li> <li>That the shop will operate in stand no.329, Vanzylsrus, owned by Sabina Gaotsenwe as consented</li> </ul>	Res : 322/2015/16	✓						
11.1	<ul style="list-style-type: none"> <li>That council accept the Housing project progress report for the period ending 30<sup>th</sup> June 2015.</li> <li>That the housing reports should be reported according to stages of development and construction</li> </ul>	Res : 323/2015/16	✓						
11.2	<ul style="list-style-type: none"> <li>That council accept the progress report on the implementation of Bothetheletsa community hall</li> </ul>	Res : 324/2015/16	✓						



	ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER			IMPLEMENTED	
						YES	NO
	11.3	<ul style="list-style-type: none"> <li>▪ That council accept the progress report of the Environmental protective infrastructure programme</li> </ul>	Res : 325/2015/16			✓	
	11.4	<ul style="list-style-type: none"> <li>▪ That council adopt the final draft of the IWMP for submission to and approval by the MEC.</li> </ul>	Res : 326/2015/16			✓	
	11.5	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on the Laxey Livestock project.</li> </ul>	Res : 327/2015/16			✓	
	11.6	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on Dithakong Sand Mining:               <ol style="list-style-type: none"> <li>Mpoletsang Singleboy Mosala</li> <li>Lerato Priska Nkatlholang</li> <li>Thuso Meshack Motshwarakgole</li> <li>Monnanyane Lettie Lekhonkhobe</li> <li>Samson Boutlwanye</li> <li>Kelebang Lettie Mere</li> <li>Kelebogile Beauty Segojane</li> <li>Gaoranolwe Phatima Moetlo</li> <li>Fatsang Onicah Liping</li> <li>Ketshwenyamang Eva Boihang</li> </ol> </li> </ul>	Res : 328/2015/16			✓	

11.7	▪ That council accept the scoping report on the Mokala Manganesse Mine	Res :329/2015/16	✓	✓
ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	IMPLEMENTED	
			YES	NO
11.8	<ul style="list-style-type: none"> <li>▪ That council accept the Disaster Incidents Occurance for the period 30<sup>th</sup> June 2015</li> <li>▪ That the Joe Morolong Local Municipality should request for information on the Disaster Incidents from the John Taolo Gaetsewe District Municipality</li> <li>▪ That councillors should communicate the Disaster Incidents with the District Municipality and Department of Social Development.</li> </ul>	Res : 330/2014/15	✓	
11.9	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality condone action taken by the Municipal Manager for submitting the Library Business Plan for the 2015/16 financial year</li> </ul>	Res : 331/2015/16	✓	
11.10	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality condone action taken by the Municipal Manager regarding the offering of SASSA office space in Churchill.</li> </ul>	Res : 332/2015/16	✓	
11.11	<ul style="list-style-type: none"> <li>▪ That council condone action taken by the Municipal Manager for Signing the Grant Agreement for the EPWP Integrated Grant to Municipalities.</li> </ul>	Res : 333/2015/16	✓	

	ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER				IMPLEMENTED	
							YES	NO
		<b>ADDENDUM ITEMS</b>						
	7.1.1	▪ That council take note of the Special programmes report for the period ending 30 <sup>th</sup> June 2015	Res : 334/2015/16			✓		
	7.1.2	▪ That council take note of the Ward Committees report for the period ending 30 <sup>th</sup> June 2015	Res : 335/2015/16			✓		
	7.1.3	▪ That council take note of the letter written to the Independent Electoral Commission declaring the vacancy in council	Res : 336/2015/16			✓		
	7.1.4	▪ That council take note of the Community queries	Res : 337/2015/16			✓		
	7.1.5	▪ That council take note of the Internal Audit Committee Report for the First quarter of 2014/15	Res : 338/2015/16			✓		
	7.1.6	▪ That council take note of the Internal Audit Report for the Third and fourth Quarter of 2014/15	Res : 339/2015/16			✓		
	8.9	▪ That council take note of circular no. 10/2015 of the Municipal Demarcation	Res :			✓		

		Board on Ward Delimitation, Awareness and public participation <ul style="list-style-type: none"> <li>▪ That council take note of the provisional time-frames attached to the delimitation process.</li> <li>▪ That the consultation processes should be published in local news papers.</li> </ul>	340/2015/16		
9.19		<ul style="list-style-type: none"> <li>▪ That council give permission to the Municipal Manager to proceed with the loan application against the MIG allocation for two outer years, 2016/17 and 2017/18 with the Development Bank of Southern Africa.</li> <li>▪ That the Municipal Manager should comply with the section 26, 51 and 59 of the Municipal Finance Act.</li> </ul>	Res : 341/2015/16	✓	
9.20		<ul style="list-style-type: none"> <li>▪ That council approve the Team Clustering of the Technical Services Department</li> </ul>	Res : 342/2015/16	✓	
9.21		<ul style="list-style-type: none"> <li>▪ That council approve the reviewed fleet management policy</li> </ul>	343/2015/16	✓	
11.12		<ul style="list-style-type: none"> <li>▪ That council empower the Municipal Manager to sign an agreement with SASSA for the construction of three offices in Joe Morolong Local Municipality as follows: <ol style="list-style-type: none"> <li>Churchill</li> <li>Tsineng</li> <li>Dithakong</li> </ol> </li> </ul>	Res : 344/2015/16	✓	

27 AUGUST 2015	RESOLUTION TAKEN	RESOLUTION NUMBER	RESPONSIBLE PERSON	IMPLEMENTED	
				YES	NO
7.1.1	<ul style="list-style-type: none"> <li>▪ That council adopt the Unaudited Financial Statements for 2014/15 financial year</li> <li>▪ That the Unaudited Financial Statement for 2014/15 Financial year should be submitted to the office of the Auditor General on or before 31<sup>st</sup> August 2015.</li> </ul>	Res : 01/2015/16	CFO / Municipal Manager	✓	
7.1.2	<ul style="list-style-type: none"> <li>▪ That council adopt the Annual performance report for the 2014/15 financial year.</li> <li>▪ That the Annual performance report for the 2014/15 should be submitted to the office of the Auditor General.</li> </ul>	Res : 02/2015/16	Mr Phiri K V / Melokwe Thami	✓	
	<ul style="list-style-type: none"> <li>▪</li> </ul>			✓	

ITEM NUMBER	RESOLUTION TAKEN	RESOLUTION NUMBER	RESPONSIBLE PERSON	IMPLEMENTED	
				YES	NO
7.1.3	<ul style="list-style-type: none"> <li>That council take note of the Draft Annual Report for the 2014/15 Financial Year</li> </ul>	Res : 03/2015/16	Mr Phiri K V/ Molekwa Thami	✓	
7.1.4	<ul style="list-style-type: none"> <li>That council take note of the MPAC investigations on the Unauthorized, Irregular and Wasteful and Fruitless Expenditure for the 2014/15 Financial Year.</li> </ul>	Res : 04/2015/16	Councillor Sepheko/ Council/ CFO/ Municipal Manager	✓	
7.1.5	<ul style="list-style-type: none"> <li>That council take note of the declaration of election of Mr Tshwaro Henry Lobega by the Independent Electoral Commission.</li> <li>That Tshwaro Henry Lobega should serve in the Infrastructure Portfolio Committee</li> </ul>	Res : 05/2015/16	Speaker / Council/ Municipal Manager	✓	
7.1.6	<ul style="list-style-type: none"> <li>That cell phone contracts should be changed to prepaid packages.</li> </ul>	Res : 06/2015/16	Mr Molekwa T/ Mr Gopetse T J	✓	
7.1.7	<ul style="list-style-type: none"> <li>That council take note of the following appointments: <ul style="list-style-type: none"> <li>i. <b>Senior Manager: Ms</b></li> </ul> </li> </ul>	Res : 07/2015/16	Mr Segami M E/ Mr Gopetse T J /	✓	

	<p>Mahlangu Nomfundo</p> <p>ii. <b>Assistant Financial Control:</b> Ms Ndlovu Lebogang</p> <p>iii. <b>Supply Chain Management Officer:</b> Mr Ruiters Thatayaone</p> <p>iv. <b>Supply Chain Clerk:</b> Mr Kgwadi Thabiso</p> <p>v. <b>Store Clerk:</b> Ms Seupe Gadihele</p> <p>vi. <b>Asset Management Clerk:</b> Mr Oliphant Chris</p> <ul style="list-style-type: none"> <li>▪ That the appointed candidates should assume duty with effect from 1<sup>st</sup> September 2015</li> </ul>			
11.1	<ul style="list-style-type: none"> <li>▪ That council empower the Municipal Manager to permit the Department of Environmental Affairs to amend the contract for Joe Morolong Greening and Open Space Management project</li> </ul>	Res : 08/2015/16	Municipal Manager/ Mrs Mabudi K D	✓

11.2	<ul style="list-style-type: none"> <li>▪ That council give permission to the Department of Arts, Sports and Culture to construct the library at</li> </ul>	Res: 09/2015/16	Mrs Mabudi K D/ Mr Malola Given	✓	
	<ul style="list-style-type: none"> <li>▪</li> </ul>			✓	
	RESOLUTION TAKEN	RESOLUTION NUMBER	RESPONSIBLE PERSON	IMPLEMENTED	
				YES	NO
28 October 2015	<ul style="list-style-type: none"> <li>▪</li> </ul>		✓		
7.1.1.	<ul style="list-style-type: none"> <li>▪ That council accept the Ward Committees report for the first quarter, 2015/16</li> </ul>	Res: 11/2015/16	Mr Chimana E /Mr Khokhong E	✓	
7.1.2.	<ul style="list-style-type: none"> <li>▪ That council take note of the Special Programmes report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 12/2015/16	Mr Sanane Bakang	✓	
7.1.3.	<ul style="list-style-type: none"> <li>▪ That council should take note of community queries for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 13/2015/16	Mr Khokhong Eugene	✓	
7.1.4.	<ul style="list-style-type: none"> <li>▪ That council condone action taken by the Municipal Manager to write the letter to South 32 regarding the</li> </ul>	Res: 14/2015/16	Municipal Manager/ Mr Khokhong Eugene	✓	



	appointment of Town Manager for Hotazel.				
7.2.1.	<ul style="list-style-type: none"> <li>That council accept the report on remuneration of Municipal employees for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 15/2015/16	CFO/ Municipal Manager	✓	
7.2.2.	<ul style="list-style-type: none"> <li>That council accept the Supply Chain Management report regarding the suppliers in the form of quotations and tenders for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 16/2015/16	Mr Molaolwe / CFO	✓	
7.2.3.	<ul style="list-style-type: none"> <li>That council condone deviations for the quarter ending 30<sup>th</sup> September 2015</li> </ul>	Res: 17/2015/16	Municipal Manager/ CFO	✓	
7.2.4.	<ul style="list-style-type: none"> <li>That council accept the Cash Book report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 18/2015/18	CFO	✓	
7.2.5.	<ul style="list-style-type: none"> <li>That council accept the Investment and Withdrawal report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 19/2015/16	CFO / Municipal Manager	✓	
	<ul style="list-style-type: none"> <li></li> </ul>			✓	

	▪				✓	
7.2.6.	▪	That council accept the Section 71 and Grant Expenditure report for the quarter ending 30 <sup>th</sup> September 2015	20/2015/16	CFO / Municipal Manager	✓	
	▪	That council accept the section 71 and Grant Expenditure report for the month ending 31 <sup>st</sup> July 2015	Res: 21/2015/16	CFO / Municipal Manager	✓	
	▪	That council accept the section 71 and Grant Expenditure report for the month ending 31 <sup>st</sup> August 2015	Res: 22/2015/16	CFO / Municipal Manager	✓	
	▪	That council accept the section 71 and Grant Expenditure report for the month ending 30 <sup>th</sup> September 2015	Res: 23/2015/16	CFO / Municipal Manager	✓	
7.2.7.	▪	That council accept donations made to the Joe Morolong Local Municipality and the delisting of stolen assets from the municipal assets register	Res: 24/2015/16	Mr Mqum / CFO	✓	

7.2.8.	<ul style="list-style-type: none"> <li>▪ That council adopt the reviewed Systems Delegation for the 2015/16 Financial Year</li> </ul>	Res: 25/2015/16	CFO/ Municipal Manager	✓	
8.1	<ul style="list-style-type: none"> <li>▪ That Employees of Joe Morolong Local Municipality should go on compulsory leave over the festive season</li> <li>▪ That the compulsory leave should start on 21<sup>st</sup> December 2015 and employees should resume duty on 4<sup>th</sup> January 2016</li> <li>▪ That the employees should fill in the leave book before the closing of business day on 18<sup>th</sup> December 2015</li> <li>▪ That the bidding of farewell to employees going on pension, closing party and the award – giving ceremony should be held on the 18<sup>th</sup> December 2015</li> <li>▪ That essential services employees at the <b>water unit, Refuse removal and sewer plant</b> should be identified to be on standby</li> </ul>	Res: 26/2015/16		✓	

	during the festive season				
<b>8.2.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the resignation letter from Mr Kgwadi T A</li> <li>▪ That the position should be advertised and filled as a matter of urgency</li> </ul>	Res: 27/2015/16	Mr Gopetse T J/ CFO	✓	
<b>8.3.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong Skills Development report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 28/2015/16	Mr Segami M	✓	
<b>8.4.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong Employment Equity Plan for the quarter ending 30<sup>th</sup> September 2015</li> </ul>	Res: 29/2015/16	Mr Segami M	✓	
<b>8.5.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong IT report for the 2015/16 First Quarter</li> </ul>	Res: 30/2015/16	Mr Molelekoa Thapelo	✓	
<b>8.6.</b>	<ul style="list-style-type: none"> <li>▪ That council condone action taken by the Municipal Manager to host the Joe Morolong Wellness Day on the 16<sup>th</sup> September 2015</li> <li>▪ That the budget should be set- aside for the Annual Employee Wellness Day</li> </ul>	Res: 31/2015/16	Mr Matsididi M A / Ms Khunou L / Mr Segami M	✓	

	<ul style="list-style-type: none"> <li>▪ That the activity should be undertaken annually to promote healthy life-style in the workplace and to enhance productivity</li> </ul>				
<b>8.7.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of circular 31/2015 on the ( three year ) Salary and Wage Collective Agreement for the 2015-2018 Financial Years</li> </ul>	Res: 32/2015/16	Mr Gopetse T J/ Mr Khokhong Eugene	✓	
<b>8.8.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the circular 17 on Final Decisions on delimitation of Municipal Boundaries for the 2016 Local Government Elections</li> </ul>	Res: 33/2015/16	Council / Municipal Manager	✓	
<b>8.9.</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the Joe Morolong Draft Records Management Policy</li> </ul>	Res: 34/2015/16	Mr Motlhoiwa / Mr Gopetse T J / Mr Khokhong Eugene	✓	
<b>8.10.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the Main Collective Agreement of the Main Collective Agreement of the South African Local Government Bargaining Council.</li> </ul>	Res: 35/2015/16	Mr Matsididi M A/ Mr Khokhong Eugene/ Mr Gopetse T J	✓	
<b>8.11.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the Joe Morolong Resolution</li> </ul>	Res: 36/2015/16	Mr Matsididi M A/	✓	

	Register for the first quarter, 2015/16 FY		Mr Gopetse T J	
9.1.				✓
9.1.1.	That council accept the Water Infrastructure Projects Progress report for the period ending 30 <sup>th</sup> September 2015	Res: 37/2015/16	Sithole Kenneth / Mr Melatwe Oratile	✓
9.1.2.	<ul style="list-style-type: none"> <li>That council accept the Dry Sanitation Infrastructure Projects Progress report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res : 38/2015/16	Mr Malola Given/ Mr Tlhaole Shadrack	✓
9.1.3.	<ul style="list-style-type: none"> <li>That council accept the Rural Roads construction Projects Progress report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 39/2015/16	Mr Malola Given	✓
9.2.				✓
9.2.1.	<ul style="list-style-type: none"> <li>That council accept the progress report on Sishen Iron Ore Company Funded Projects for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 40/2015/16	Mr Tlhaole Shadrack/ Mr Malola Given	✓
9.2.2.	<ul style="list-style-type: none"> <li>That council accept the progress report on the</li> </ul>	Res: 41/2015/16	Mr Tlhaole Shadrack / Mr	✓

	United Manganese of Kalahari funded projects for the period ending 30 <sup>th</sup> September 2015		Malola Given		
9.2.3.	<ul style="list-style-type: none"> <li>That council accept the progress report on Tshipi E Ntle Infrastructure Projects for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 42/2015/16	Mr Tlhaole Shadrack/ Mr Malola Given	✓	
9.2.4.	<ul style="list-style-type: none"> <li>That council accept the progress report on Manganese funded projects for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 43/2015/16	Mr Tlhaole Shadrack / Mr Malola Given	✓	
9.2.5.	<ul style="list-style-type: none"> <li>That council accept the progress report on the BHP Billiton Funded Projects for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 44/2015/16	Mr Tlhaole Shadrack/ Mr Malola Given	✓	
9.3.	<ul style="list-style-type: none"> <li>That council accept the Refurbishment Grant report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 45/2015/16	Mr Sithole Kenneth/ Mr Keetile	✓	
9.4.	<ul style="list-style-type: none"> <li>That council accept the Regional Bulk Water Projects Progress Report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 46/2015/16	Mr Sithole Kenneth/ Mr Keetile	✓	

9.5	<ul style="list-style-type: none"> <li>▪ That council accept the Municipal Infrastructure Grant report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 47/2015/16	Mr Tlhaole Shadrack/ Mike Boulders/ Mr Malola Given	✓	
9.6.	<ul style="list-style-type: none"> <li>▪ That council accept the Municipal Water Infrastructure Grant report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 48/2015/16	Mr Tlhaole Shadrack/ Mr Mike Boulders	✓	
9.7.	<ul style="list-style-type: none"> <li>▪ That council accept the electrification report for 2015/16 Financial Year as follows:               <ol style="list-style-type: none"> <li>1. <b><u>Ward One</u></b> <ul style="list-style-type: none"> <li>▪ Heuningvlei and Gammokwane = 478 approved electrifications</li> <li>▪ Makhubung = 48 approved electrifications</li> <li>▪ Perth = 78 approved electrifications</li> <li>▪ Sesipi = 30 electrifications</li> <li>▪ Shalaneng = 26 approved infills</li> <li>▪ Kome = 12 approved infills</li> </ul> </li> </ol> </li> </ul>	Res: 49/2015/16	Mr Mosegeleng T/ Mr Tlhaole Shadrack	✓	



	<ul style="list-style-type: none"> <li>▪ Tsiloane = 07 approved infills</li> </ul> <p><b>2. <u>Ward Three</u></b></p> <ul style="list-style-type: none"> <li>▪ Madibeng = 60 approved electrifications</li> <li>▪ Klein-eiffel = 56 approved infills</li> <li>▪ Laxey = 26 approved Infills</li> </ul> <p><b>3. <u>Ward Five</u></b></p> <ul style="list-style-type: none"> <li>▪ Matoro = 04 approved infills</li> <li>▪ Magojaneng = 93 approved infills</li> <li>▪ Tsineng = 30 approved infills</li> <li>▪ Dinokaneng = 06 approved infills</li> <li>▪ Maipeing = 41 approved infills</li> <li>▪ Masankong 10 approved infills</li> <li>▪ Gatshekedi 04 approved infills</li> <li>▪ Gasese = 20 approved infills</li> <li>▪ Tsineng – kop = 04</li> </ul>			
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				<p>approved infills</p> <ul style="list-style-type: none"> <li>▪ Mokalanwanoga = 05 approved infills</li> </ul> <p><b>4. <u>Ward Six</u></b></p> <ul style="list-style-type: none"> <li>▪ Samsokolo = 20 approved infills</li> <li>▪ Logobate = 63 approved infills</li> <li>▪ Galothhare = 78 approved infills</li> <li>▪ Wingate = 10 approved infills</li> <li>▪ Kortnight = 09 approved infills</li> <li>▪ Gadiboe = 52 approved infills</li> <li>▪ Rusfontein ( wyk 8 – 10 ) = 24 approved infills</li> <li>▪ Perdmontjie = 43 approved infills</li> <li>▪ Suurdig = 37 approved infills</li> </ul> <p><b>5. <u>Ward Seven</u></b></p> <ul style="list-style-type: none"> <li>▪ Churchill = 72 approved infills</li> </ul>			
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- Cardington = 28 approved infills
  - Mentu = 08 approved infills
  - Ellendale = 07 approved infills
  - Klein-Neira = 05 approved infills
  - Gasehunelo : Wyk 1,2 and 6 = 13 approved infills
  - Logaganeng ( Farm dweller ) = 05 approved infills
- 6. Ward Eight**
- Dokson 1 and 2 = 09 approved infills
  - Bendell = 09 approved infills
  - Magobing East = 03 approved infills
- 7. Ward Nine**
- Mmamebe and Bothitong = 98 approved infills
- 8. Ward Ten**
- Pompong = 28 approved Electrification

	<p><b>9. Ward Fourteen</b></p> <ul style="list-style-type: none"> <li>Tzaneen = 52 approved Electrification</li> </ul> <p><b>10. Ward Fifteen</b></p> <ul style="list-style-type: none"> <li>Gamasepa = 110 approved Electrification</li> </ul>				
9.8.	<ul style="list-style-type: none"> <li>That council accept the Motor Grader report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res : 50/2015/16	Joe Kampilu/ Mr Malola Given	✓	
9.9.	<ul style="list-style-type: none"> <li>That council accept the Water Quality report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 51/2015/16	Mr Tlhaole Shadrack/ Mr Keetile/ Mr Sithole Kenneth	✓	
9.9.1.	<ul style="list-style-type: none"> <li>That council accept the Blue Drop Improvement Plan for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 52/2015/16	Mr Kgosieng/ Mr Sithole Kenneth/ Mr Keetile	✓	
9.9.2.	<ul style="list-style-type: none"> <li>That council accept the Green Drop Improvement Plan for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 53/2015/16		✓	
9.10.	<ul style="list-style-type: none"> <li>That council accept the Water Operations and Maintenance report for the</li> </ul>	Res: 54/2015/16	Mr Tlhaole Shadrack/ Mr Melatwe Oratile/	✓	

	period ending 30 <sup>th</sup> September 2015		Mr Keetile	
9.11.	<ul style="list-style-type: none"> <li>That council take note of the Cassel Yard Connection Pilot Project Progress report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 55/2015/16	Mr Sithole Kenneth	✓
9.12.	<ul style="list-style-type: none"> <li>That council accept the Joe Morolong Water Safety Plan</li> </ul>	Res: 56/2015/16	Mr Tlhaole Shadrack	✓
9.13.	<ul style="list-style-type: none"> <li>That council accept the Joe Morolong Water Services Development Plan.</li> </ul>	Res: 57/2015/16	Mr Tlhaole T S	✓
9.14.	<ul style="list-style-type: none"> <li>That council take note of the Labour report on Technical Services Projects</li> </ul>	Res: 58/2015/16	Mr Malola/ Mr O Melatwe	✓
9.15.	<ul style="list-style-type: none"> <li>That council take note of the nominated sub-contractor for capital projects for the period 1<sup>st</sup> July 2015 – 30<sup>th</sup> September 2015</li> </ul>	Res: 59/2015/16	Mr Malola G M / Mr Tlhaole T S	✓
10.1.	<ul style="list-style-type: none"> <li>That council accept the Quarterly Performance report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 60/2015/16	Mr Phiri Kemothibile	✓
10.2.	<ul style="list-style-type: none"> <li>That council accept the IDP Process Plan as presented</li> </ul>	Res: 61/2015/16	Mr Phiri Kemothibile/ Ms	✓

			Mecwi D		
10.3.	<ul style="list-style-type: none"> <li>▪ That council adopt the IDP Process and Budget Consultation Programme for the 2015/16 Financial Year</li> <li>▪ That Klipom should be changed for Loopeng</li> <li>▪ That Klein – Eiffel should be changed for Madibeng</li> <li>▪ That the meeting scheduled for 26<sup>th</sup> November 2015 should be held on 3<sup>rd</sup> December 2015</li> </ul>	Res : 62/2015/16	Mrs Motlaping B D/ Mr Phiri K V	✓	
10.4.	<ul style="list-style-type: none"> <li>▪ That council accept the SPLUMA implementation Progress report</li> </ul>	Res: 63/2015/16	Ms Luvhengo N / Mr Phiri K V	✓	
10.5.	<ul style="list-style-type: none"> <li>▪ That council take note of the Informal Settlements in Vanzylsrus and measures taken by the Municipality in that regard.</li> <li>▪ That the process of sub-dividing and availing new stands should unfold to reduce invasion of Municipal Land.</li> </ul>	Res : 64/2015/16	Ms Luvhengo N / Mr Phiri K V	✓	

<b>10.6.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the information on the final land audit of open spaces in Hotazel.</li> <li>▪ That consideration should be given to land where properties have been developed.</li> </ul>	Res : 65/2015/16	Mr Phiri K V/ Ms Luvhengo N	✓	
<b>10.7.</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the SDBIP and Performance Contracts by Senior Managers</li> </ul>	Res: 66/2015/16	Mr Phiri K V/ Ms Luvhengo N	✓	
<b>11.1.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on Rural Housing Units and the Balelapa Housing Project</li> </ul>	Res : 67/2015/16	Tlhompho Moncho / Mr Matobo/ Mr Malola Given	✓	
<b>11.2.</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the Guidelines on Deregistration of missing Beneficiaries of Government Subsidy Houses</li> </ul>	Res: 68/2015/16	Mrs Mabudi K J	✓	
<b>11.3.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on community halls</li> </ul>	Res: 69/2015/16	Mrs Mabudi K J	✓	
<b>11.4.</b>	<ul style="list-style-type: none"> <li>▪ That council accept the report on Environmental Protective Infrastructure</li> </ul>	Res: 70/2015/16	Mrs Letselebe Seneo	✓	

	Programme				
11.5.	<ul style="list-style-type: none"> <li>That council empower the Municipal Manager to sign a partnership Agreement with Working On Fire</li> </ul>	Res: 71/2015/16	Mrs Mabudi K J/ Mrs Letselebe Seneo	✓	
11.6	<ul style="list-style-type: none"> <li>That council take note of the Disaster Incidents report for the period ending 30<sup>th</sup> September 2015</li> </ul>	Res: 72/2015/16	Mrs Mabudi K J/ Mrs Letselebe Seneo	✓	
11.7.	<ul style="list-style-type: none"> <li>That council accept the progress report on Youth Jobs In Waste</li> </ul>	Res: 73/2015/16	Mrs Mabudi K J/ Mrs Letselebe Seneo	✓	
11.8.	<ul style="list-style-type: none"> <li>That council accept the Policy EPWP Phase III for implementation by the Joe Morolong Local Municipality</li> </ul>	Res: 74/2015/16	Mrs Mabudi K J	✓	
11.9.	<ul style="list-style-type: none"> <li>That council accept the progress report on the removal of alien species at Laxey, Gamokatedi and Loopeng</li> </ul>	Res : 75/2015/16	Mrs Mabudi K J	✓	
11.10.	<ul style="list-style-type: none"> <li>That council accept the implementation and establishment of Mega-Agri Park in John Taolo Gaetsewe District</li> </ul>	Res: 76/2015/16	Mrs Letselebe Seneo/ Mrs Mabudi K J/ Mr Moitaletsi Simon	✓	



	▪				✓	
7.2.9.	▪	That council accept the MFMA Implementation and monitoring report regarding the Investment and Borrowing and Quarterly Returns for the First Quarter , 2015/16 Financial Year	Res: 77/2015/16	Municipal Manager/ CFO	✓	
8.12.	▪	That council adopt the Organizational Structure as follows: <ul style="list-style-type: none"> <li>i. That the position of Asset Management Clerk should be removed from the Organizational Structure</li> <li>ii. That the position of Water and Sanitation Manager should be removed and replaced by the Manager Operations and Manager</li> <li>iii. That the two positions of Water and Sanitation Technician should be included in</li> </ul>	Res: 78/2015/16	Mr Segami Moagi / Mr Gopetse T J	✓	

	the Organizational Structure to replace Water Quality and Cluster positions				
	iv. That there should be two positions of Supply Chain Officers in the Organizational Structure				
	v. That the position of LED Manager should be replaced by the Senior LED Officer				
	vi. That the Payroll Clerk should be included in the Organizational Structure and advertised				
<b>8.13.</b>	<ul style="list-style-type: none"> <li>That council take note of the Guiding Framework for the determination by Municipal Councils of the costs of living for Section 56 and 57 Managers</li> </ul>	Res : 79/2015/16		✓	
<b>8.14</b>	<ul style="list-style-type: none"> <li>That council condone action taken by the Municipal Manager to write a letter to John Taolo Gaetsewe District Municipality</li> </ul>	Res: 80/2015/16	Council	✓	

	requesting clarity on issues regarding ( Internal Audit ) Shared Services.				
<b>8.15</b>	<ul style="list-style-type: none"> <li>▪ That council approve the disposal of Municipal vehicles and other assets through public auction</li> <li>▪ That an Auctioneer should be appointed and paid for the services rendered</li> <li>▪ That the report should be presented to council on the income generated from the auction</li> <li>▪ That the monies should be included in the Municipal Budget and disseminated during the Mid-Term Budget</li> </ul>	Res: 81/2015/16	Mr Molaoiwe/ CFO	✓	
<b>8.16</b>	<ul style="list-style-type: none"> <li>▪ That council empower the Speaker of Joe Morolong Local Municipality to sign the Memorandum of Understanding with the Speaker of the Northern Cape Provincial Legislature</li> </ul>	Res: 82/2015/16	Speaker	✓	
<b>10.8</b>	<ul style="list-style-type: none"> <li>▪ That council approve the Rezoning in terms of the Northern Cape Planning and</li> </ul>	Res: 83 / 2015/16	Ms Luvengo K / Phiri K V	✓	

	Development Act of 1998 on the remainder of Farm Adam 323 , Joe Morolong Local Municipality				
	▪			✓	
<b>28 JAN 2016</b>	<b>RESOLUTION</b>	<b>RESOLUTION NUMBER</b>	<b>RESPONSIBLE PERSON</b>	<b>ACHIEVED</b>	<b>NOT ACHIEVED</b>
<b>7.1.1</b>	▪ That council take note of the community queries as presented	Res: 87/2015/16	Mr Khokhong Eugene	✓	
<b>7.1.2</b>	▪ That council accept the ward committees report for the quarter ending 31 <sup>st</sup> December 2015	Res: 88/2015/16	Mr Chimana Elisha	✓	
<b>7.1.3</b>	▪ That council accept the special programmes report for the period ending 31 <sup>st</sup> December 2015	Res: 89/2015/16	Mr Sanane Bakang	✓	
<b>7.1.4</b>	▪ That council accept the community satisfaction survey questionnaire report for the period ending 31 <sup>st</sup> December 2015	Res: 90/2015/16	Mr Khokhong Eugene	✓	
<b>7.2.1</b>	▪ That council accept the investment and withdrawal	Res: 91/2015/16	CFO/ Municipal	✓	

	report for the period ending 31 <sup>st</sup> December 2015		Manager	
<b>7.2.2</b>	<ul style="list-style-type: none"> <li>That council take note of the deviation report for the period ending 1<sup>st</sup> October 2015 to 31<sup>st</sup> December 2015</li> </ul>	Res: 92/2015/16	CFO/ Municipal Manager	✓
<b>7.2.3</b>	<ul style="list-style-type: none"> <li>That council accept the remuneration for the for municipal employees for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 93/2015/16	CFO/ Mokubung Masego	✓
<b>7.2.4</b>	<ul style="list-style-type: none"> <li>That council accept the cash book report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 94/2015/16	CFO/ Seitebaleng Dikolenyane	✓
<b>7.2.5</b>	<ul style="list-style-type: none"> <li>That council take note of the supply chain management report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 95/2015/16	Molaolwe T/ CFO	✓
<b>7.2.6 (a)</b>	<ul style="list-style-type: none"> <li>That council adopt the revenue reconciliation report for 1<sup>st</sup> October 2015 to 1<sup>st</sup> December 2015</li> </ul>	Res: 96/2015/16	CFO/ Vivian Christie	✓
<b>7.2.6 (b)</b>	<ul style="list-style-type: none"> <li>That council adopt the expenditure report for the period 1<sup>st</sup> October 2015 to 31<sup>st</sup> December 2015</li> </ul>	Res: 97/2015/16	CFO/ Municipal Manager	✓

7.2.7(i)	<ul style="list-style-type: none"> <li>▪ That council accept the section 71 and grant expenditure report for the month ending 31<sup>st</sup> October 2015</li> </ul>	Res: 98/2015/16	CFO/ Municipal Manager	✓	
(ii)	<ul style="list-style-type: none"> <li>▪ That council accept the section 71 and grants expenditure report for the month ending 30<sup>th</sup> October 2015</li> </ul>	Res: 99/2015/16	CFO/ Municipal Manager	✓	
(iii)	<ul style="list-style-type: none"> <li>▪ That council accept the section 71 and grants expenditure report for the month ending 31 December 2015</li> </ul>	Res: 100/2015/16	CFO/ Municipal Manager	✓	
7.2.8	<ul style="list-style-type: none"> <li>▪ That council adopt the report of the Auditor General on financial statements and other legal regulatory requirements for the financial year ending 30<sup>th</sup> June 2015</li> <li>▪ That council adopt recommendations made by the Auditor General regarding the audit outcomes</li> <li>▪ That council approved Audit Action plan for the financial</li> </ul>	Res: 101/2015/16	Municipal Manager/ CFO	✓	

	year 2015/15				
8.1	<ul style="list-style-type: none"> <li>▪ That council take note of the resignation letter from Tsholofelo Modise</li> <li>▪ That the position should advertised and filled</li> </ul>	Res: 102/2015/16	Mr Gopetse T J/ Mr Segami Moagi	✓	
8.2	<ul style="list-style-type: none"> <li>▪ That council should adopt the skills development report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 103/2015/16	Mr Sebotho K/Mr Segami Moagi	✓	
8.3	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong employment equity plan for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 104/2015/16	Mr Gopetse T J / Mr Segami Moagi	✓	
8.4	<ul style="list-style-type: none"> <li>▪ That council accept the Joe Morolong IT report for the second quarter-2015/16 financial year</li> </ul>	Res: 105/2015/16	Mr Molelekoa T / Mr Gopetse T J	✓	
8.5	<ul style="list-style-type: none"> <li>▪ That council take note of the Joe Morolong Local municipality's resolution register for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 106/2015/16	Mr Matsididi M A/ Masiga N P	✓	
9.1.1	<ul style="list-style-type: none"> <li>▪ That council accept the water infrastructure projects progress report for the period 1<sup>st</sup> October 2015 to</li> </ul>	Res: 107/2015/16	Mr Tlhaole T S/	✓	

	31 <sup>st</sup> December 2015				
<b>9.1.2</b>	<ul style="list-style-type: none"> <li>▪ That council accept the dry sanitation infrastructure projects progress report for the period ending 1<sup>st</sup> October 2015 to 31<sup>st</sup> December 2015</li> </ul>	Res: 108/2015/16	Mr Tlhaole T	✓	
<b>9.1.3</b>	<ul style="list-style-type: none"> <li>▪ That council accept the rural roads construction projects progress report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 109/2015/16	Mr Sithole K/ Mr Tlhaole T S	✓	
<b>9.2.1</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Sishen Iron Ore funded projects progress report for the period October 2015 to December 2015</li> </ul>	Res: 110/2015/16	Mr Tlhaole T S/ Mr Sithole K	✓	
<b>9.2.2</b>	<ul style="list-style-type: none"> <li>▪ That council accept the united Manganese of Kalahari funded projects progress report for the period October 2015 to December 2015</li> </ul>	Res: 111/2015/16	Mr Tlhaole T S	✓	
<b>9.2.3</b>	<ul style="list-style-type: none"> <li>▪ That council accept Tshipi E Ntle funded projects progress report for the period October 2015 to December 2015</li> </ul>	Res: 112/2015/16	Mr Tlhaole T S	✓	



<b>9.2.4</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Assmang Manganese funded infrastructure projects progress report for July 2015 to December 2015</li> </ul>	Res: 113/2015/16	Mr Tlhaole T S	✓	
<b>9.2.5</b>	<ul style="list-style-type: none"> <li>▪ That council accept the BHP Billiton funded infrastructure projects progress report for October 2015 to December 2015</li> </ul>	Res: 114/2015/16	Mr Tlhaole T S	✓	
<b>9.3</b>	<ul style="list-style-type: none"> <li>▪ That council accept the refurbishment grant progress report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res : 115/2015/16	Mr Sithole K / Mr Keetile T	✓	
<b>9.4</b>	<ul style="list-style-type: none"> <li>▪ That Council accept the regional bulk infrastructure grant projects progress report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 116/2015/16	Mr Tlhaole T S	✓	
<b>9.5</b>	<ul style="list-style-type: none"> <li>▪ That council accept the municipal water infrastructure grant for the 2014/15 financial year</li> </ul>	Res: 117/2015/16	Mr Tlhaole T S	✓	
<b>9.6</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Municipal Water infrastructure Grant report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 118/2015/16	Mr Keetile T/ Mr Sithole K	✓	

<b>9.7</b>	<ul style="list-style-type: none"> <li>▪ That council accept the electrification report for the 2015/16 and 2016/17 financial Years</li> </ul>	Res: 119/2015/16	Mr Mosegeleng T	✓	
<b>9.8</b>	<ul style="list-style-type: none"> <li>▪ That council accept the motor grader operations and maintenance report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 120/2015/16	Mr Kampilu J/ Mr Malola Given	✓	
<b>9.9.1</b>	<ul style="list-style-type: none"> <li>▪ That council accept the water quality report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 121/2015/16	Mr Keetile Thapelo/ Mr Melatwe Oratile	✓	
<b>9.9.2</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the Blue drop improvement plan for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 122/2015/16	Mr Keetile Thapelo / Mr Sithole Kenneth	✓	
<b>9.9.3</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the Green drop improvement plan for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 123/2015/16	Mr Keetile Thapelo/ Mr Sithole Kenneth	✓	
<b>9.10</b>	<ul style="list-style-type: none"> <li>▪ That council accept the water operations and maintenance report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 124/2015/16	Mr Keetile Thapelo/ Mr Melatwe Oratile	✓	
<b>9.11</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Joe</li> </ul>	Res: 125/2015/16	Mr Keetile	✓	

	Morolong water safety plan		Thapelo / Mr Sithole Kenneth	
<b>9.12</b>	<ul style="list-style-type: none"> <li>That council adopt the Joe Morolong Municipality's water service development plan</li> </ul>	Res: 126/2015/16	Mr Sithole Kenneth / Mr Keetile Thapelo	✓
<b>9.13</b>	<ul style="list-style-type: none"> <li>That council accept the fleet management report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 127/2015/16	Mr Mphafi Paulus	✓
<b>9.14</b>	<ul style="list-style-type: none"> <li>That council accept the labour report on job opportunities created in the infrastructure projects for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 128/2015/16	Mr Malola Given/ Ms Mokgoje Didintle	✓
<b>9.15</b>	<ul style="list-style-type: none"> <li>That council take note of the nominated sub-contract report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 129/2015/16	Mr Malola Given / Mr Tihaoe Shadrack	✓
<b>9.16</b>	<ul style="list-style-type: none"> <li>That council accept the MISA report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 130/2015/16	Mr Malola Given	✓
<b>9.17</b>	<ul style="list-style-type: none"> <li>That council accept the capital projects prioritization for the financial year ending 2016/17</li> </ul>	Res: 131/2015/16	Mr Tihaoe Shadrack	✓

<b>9.18</b>	<ul style="list-style-type: none"> <li>▪ That council accept the DORA report for the period ending 31 December 2015</li> </ul>	Res: 132/2015/16	Mr Malola Given/ Mr Sithole Kenneth	✓	
<b>9.19</b>	<ul style="list-style-type: none"> <li>▪ That council accept the sports facilities report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 133/2015/16	Mr Malola Given/ Mrs Mabudi K D	✓	
<b>9.20</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the progress regarding DBSA Loan</li> </ul>	Res: 134/2015/16	Mr Tlhaole T S/ CFO	✓	
<b>9.21</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Enviro-Loo sanitation pilot project implementation.</li> <li>▪ That the pilot projects should be implemented at Shalaneng Village in ward one(1)</li> </ul>	Res: 135/2015/16	Mr Tlhaole T S/ Mr Malola Given	✓	
<b>9.22</b>	<ul style="list-style-type: none"> <li>▪ That council should take note of the progress regarding the Laxey and Dithakong Access Roads</li> <li>▪ That consultation should be made with affected communities to avoid miscommunication</li> </ul>	Res: 136/2015/16	Mr Malola Given	✓	

<b>9.23</b>	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on the rural roads Assets assessment (RRAMS)</li> </ul>	Res: 137/2015/16	Mr Tlhaole T S/ Chris/ CFO	✓	
<b>9.25</b>	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on Operation Tsiboga for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 138/2015/16	Mr Melatwe Oratile	✓	
<b>10.1</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the IDP consultation report for the 2015/16 financial year</li> </ul>	Res: 139/2015/16	Mr Phiri K V	✓	
<b>10.2</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the annual report for the 2014/15 financial year</li> </ul>	Res: 140/2015/16	Mr Phiri K V	✓	
<b>10.3</b>	<ul style="list-style-type: none"> <li>▪ That council accept the Municipal Mid-Year report for the period 1<sup>st</sup> July 2015 to 31<sup>st</sup> December 2015</li> </ul>	Res: 141/2015/16	Mr Phiri K V	✓	
<b>10.4</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the Draft Land Disposal Policy</li> </ul>	Res: 142/2015/16	Mr Phiri K V/ Ms Luvhengo N	✓	
<b>11.1</b>	<ul style="list-style-type: none"> <li>▪ That council accept the progress report on the 1000 Rural Housing unit for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 143/2015/16	Mrs Mabudi K J	✓	

11.2	<ul style="list-style-type: none"> <li>▪ That council accept the information about the South Africa Public Library and information Services Bill</li> </ul>	Res: 144/2015/16	Mrs Mabudi K J	✓	
11.3	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality accept the proposal for the purposes of the development of a renewable energy generation project for conservation purposes</li> </ul>	Res : 145/2015/16	Mrs Mabudi K J	✓	
11.4	<ul style="list-style-type: none"> <li>▪ That council give permission to the Vanzylsrus Hotel to be utilized as tourism office after working hours</li> </ul>	Res: 146/2015/16	Mrs Mabudi K J/ Mrs Manoto K/	✓	
11.5	<ul style="list-style-type: none"> <li>▪ That council take note of the Disaster incidents report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 147/2015/16	Mrs Mabudi K D/ Mr Maneedi S J	✓	
11.6	<ul style="list-style-type: none"> <li>▪ That council accept the information regarding the environmental impact assessment for the proposed Perth –Kuruman solar farm</li> </ul>	Res: 148/2015/16	Mrs Mabudi K D/ Mrs Seneco Letselebe/ Mr Malola Given	✓	
	<b>ADDENDUM ITEMS</b>				

<b>7.1.5</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the approved increase of councillors remunerations from 1<sup>st</sup> July 2015</li> <li>▪ That council approve the retrospective implementation of the increase from 1<sup>st</sup> July 2015</li> <li>▪ That the MEC for COGHSTA be informed about the decision of per council</li> <li>▪ That the implementation should be done after the concurrence of the MEC for Cooperative Governance, Human Settlement and Traditional Affairs</li> </ul>	Res: 149/2015/16	Mr Segami Moagi/ CFO	✓	
<b>7.1.6</b>	<ul style="list-style-type: none"> <li>▪ That council accept the report on the disposal of municipal assets through public auction</li> </ul>	Res:150/2015/16	Mr Christie Vivian/ Mr Molaoiwe Tebogo	✓	
<b>7.1.7</b>	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality accept the proposed write-off on consumer Accounts</li> </ul>	Res: 151/2015/16	Mr Christie Vivian	✓	
<b>7.1.8</b>	<ul style="list-style-type: none"> <li>▪ That the report should be deferred for presentation in the next council meeting</li> </ul>	Res: 152/2015/16	Mr Matsididi M A	✓	

7.1.9	<ul style="list-style-type: none"> <li>▪ That council adopt the Auditor General report and presentation made in terms of <b>resolution 84/2015/16</b></li> <li>▪ That all findings should be addressed to improve the 2015/16 financial year Audit Outcomes</li> </ul>	Res: 153/2015/16	CFO/ Municipal Manager	✓	
8.6	<ul style="list-style-type: none"> <li>▪ That council take note of the Lethakajaneng Early childhood development registration</li> </ul>	Res: 154/2015/16	Mrs Mabudi K J	✓	
9.26	<ul style="list-style-type: none"> <li>▪ That council take note of the Operation Baakanya report for the period ending 31<sup>st</sup> December 2015</li> </ul>	Res: 155/2015/16	Mr Melatwe Oratile	✓	
9.27	<ul style="list-style-type: none"> <li>▪ That council adopt the water conservation and draught awareness programme by the department of water affairs and sanitation</li> </ul>	Res: 156/2015/16	Mr Tlhaole T S/ Mr Malola Given	✓	
9.28	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality take note of the operation Kgotsa Pula Nala programme by COGHSTA</li> <li>▪ That council empower the Municipal Manager to submit</li> </ul>	Res: 158/2015/16	Mr Melatwe Oratile / Mr Sithole Kenneth/ Mr Keetile Thapelo	✓	



	the business plan to COGHSTA on behalf of the Joe Morolong Local Municipality				
8.7	<ul style="list-style-type: none"> <li>▪ That letters should be written to all councillors seconded to the John Taolo Gaetsewe District Council to request for their reports</li> <li>▪ That reports should entail their performance and how they represent the Joe Morolong Local Municipal council at the John Taolo Gaetsewe District council</li> <li>▪ That such reports should be presented to the council of Joe Morolong Local Municipality in the special council meeting on the 25 February 2016</li> </ul>	Res: 158/2015/16	Speaker/ Mayor/ Exco	✓	
8.8	<ul style="list-style-type: none"> <li>▪ That council adopt the back-to-school campaign as presented</li> <li>▪ That council of Joe Morolong Local Municipality empower the Mayor to lobby for support for success of the planned celebration at Ba-</li> </ul>	Res: 159/2015/16	Mayor / Municipality	✓	

	Ga-Lotlhare high school				
8.8	<ul style="list-style-type: none"> <li>That council take note of the interviews report and appointments made</li> </ul>	Res: 160/2015/16	Mr Segami Moagi/ Gopetse T J	✓	
25 February 2016	<b>RESOLUTION TAKEN</b>	<b>RESOLUTION NUMBER</b>	<b>RESPONSIBLE PERSON</b>	✓	
7.1.1	<ul style="list-style-type: none"> <li>That council of Joe Morolong Local Municipality adopt the adjusted budget and the reviewed SDBIP</li> <li>That the Mid-Year adjusted budget and performance assessment should be submitted to the provincial Treasury and COGHSTA</li> </ul>	Res: 161/2015/16	Mr Phiri K V	✓	
7.1.2	<ul style="list-style-type: none"> <li>That council approve the amended IDP for the 2015/16 financial year</li> <li>That the amended IDP for the 2015/16 financial year should be submitted to COGHSTA and the provincial treasury</li> </ul>	Res: 162/2015/16	Mr Phiri K V	✓	
7.1.3	<ul style="list-style-type: none"> <li>That council take note of the presentation made by the TMG Mining</li> </ul>	Res: 163/2015/16	Mr Matsididi M A/ MM/ Mr Gopetse	✓	

	<ul style="list-style-type: none"> <li>▪ That an engagement session should be arranged to formalize the process</li> <li>▪ That the progress report should be presented to the council of Joe Morolong Local Municipality</li> </ul>	T J		
24 March 2016	<ul style="list-style-type: none"> <li>▪ <b>Resolution Register</b></li> </ul>	<b>Resolution Number</b>	<b>Responsible Person</b>	✓
7.1.1	<ul style="list-style-type: none"> <li>▪ That council of Joe Morolong Local Municipality take note of the final draft of the IDP, final draft budget and tariffs for the 2016/17 financial year</li> <li>▪ That the copies of the final draft IDP, Final draft budget and tariffs should be submitted to COGHSTA, Provincial Treasury by the 31<sup>st</sup> March 2016</li> <li>▪ That the council adopt the following draft policies alongside the final draft IDP, Final Draft Budget and tariffs for 2016/17 financial year</li> </ul> <p><b>I. Fixed Asset Policy</b></p>	Res: 164/2015/16	Municipal Manager/ CFO	✓

	<p>II. Supply Chain Policy</p> <p>III. Tariffs Policy</p> <p>IV. Risk Management Policy</p> <p>V. Asset Management Policy</p> <p>VI. Indigent Policy</p> <p>VII. Bad Debt Policy</p> <p>VIII. Credit Control and Debt Collection Policy</p> <p>IX. Cash Shortage Policy</p> <p>X. Budget Policy</p> <p>XI. Fruitless and wasteful Expenditure Policy</p> <p>XII. Banking and Investment Policy</p> <p>XIII. Petty Cash Policy</p>				
7.1.2	<ul style="list-style-type: none"> <li>That council take note of the Top Layer Service Delivery and Budget Implementation Plan for the 2016/17 financial year</li> </ul>	Res:165/2015/16	Mr Phiri K V	✓	
7.1.3	<ul style="list-style-type: none"> <li>That council adopt the community consultation</li> </ul>	Res: 166/2015/16	Mr Phiri K V	✓	

	programme for the final draft IDP, Final Draft Budget and Tariffs for the 2016/17 financial year <ul style="list-style-type: none"> <li>▪ That council condone action taken by the Municipal Manager to advertise the community consultation programme</li> <li>▪ That the budget should be set-aside for the community consultation meetings</li> </ul>				
<b>7.1.4</b>	<ul style="list-style-type: none"> <li>▪ That council adopt the Joe Morolong Municipal Public Accounts Committee oversight report</li> <li>▪ That the oversight report should be submitted to the Provincial Treasury and COGHSTA no later than 4<sup>th</sup> April 2016</li> </ul>	Res: 167/2015/16	Mr Matsididi M A/ Ms Masiga N P/Mr Gopetse T J	✓	
<b>7.1.5</b>	<ul style="list-style-type: none"> <li>▪ That council take note of the interview report</li> </ul>	Res: 168/2015/16	Mr Gopetse T J/ Mr Segami Moagi	✓	
<b>17 May 2016</b>	<b>Resolution</b>	<b>Resolution Number</b>	<b>Responsible Person</b>	✓	

7.1.1	<ul style="list-style-type: none"> <li>• That the Council of Joe Morolong Local Municipality adopt the final IDP, final Draft Budget and Tariffs for the 2016/17 financial year.</li> <li>• That Council adopt the following policies alongside the final Draft IDP, final Draft Budget and Tariffs for the 2016/17 financial year:             <ol style="list-style-type: none"> <li>I. Supply Chain Management Policy</li> <li>II. Credit Control Policy</li> <li>III. Property Rates Policy</li> <li>IV. Banking and Investment Policy</li> <li>V. Fruitless and Wasteful Expenditure Policy</li> <li>VI. Petty Cash Policy</li> <li>VII. Budget Policy</li> <li>VIII. Fixed Asset Policy</li> <li>IX. Cash Shortage Policy</li> <li>X. Bad Debt Write off</li> </ol> </li> </ul>	Res: 169/2015/16	CFO	✓	
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	Policy				
	XI. Tariffs Policy XII. Risk Management Policy XIII. Indigent Policy				
7.1.2	<ul style="list-style-type: none"> <li>That Council adopt the Top Layer Delivery and Budget Implementation Plan (DSBIP) for the 2016/17 financial year.</li> </ul>	Res: 170/2015/16	Mr Phiri K V	✓	
9.1	<ul style="list-style-type: none"> <li>That the Council of Joe Morolong Local Municipality take note of the additional R5 Million MIG Funds allocated by COGHSTA for spending in the infrastructure related projects.</li> </ul>	Res: 171/2015/16	Mr Tlhaole Shadrack	✓	
9.2	<ul style="list-style-type: none"> <li>That Council of Joe Morolong Local Municipality take note of the Integrated Transport Plan Forum constituted of the following stakeholders:               <ol style="list-style-type: none"> <li>Transport and Liason</li> <li>EMS</li> </ol> </li> </ul>	Res: 172/2015/16	Mr Tlhaole Shadrack	✓	

	III. Local Municipalities (Gasegonyana, Gamagara and Joe Morolong) IV. Taxi Associations V. Department of Roads and Public Works VI. John Taolo Gaetsewe District Municipality VII. Traditional Councils VIII. Department of Transport, Safety and Liaison			
9.3	<ul style="list-style-type: none"> <li>That the Council of Joe Morolong Local Municipality adopt the Grader program as presented.</li> </ul>	Res: 173/2015/16	Mr Meyer Freddie	✓
<b>ADDENDUM</b>	<ul style="list-style-type: none"> <li></li> </ul>			✓
7.1.3	<ul style="list-style-type: none"> <li>That the Council of Joe Morolong Municipality approve the Assmang Manganese ( Black Rock) Operations Close Out Statement for Social Labour Plan1 as follows:</li> </ul>	Res: 174/2015/16	Mr Tlhaole Shadrack	✓



	<ul style="list-style-type: none"> <li>That the Council acknowledges the confusion caused in the relationship between Assmang Manganese Mine ( Black Rock Operations) AND THE Joe Morolong Municipality regarding the term of the aforesaid SLP1 from 2010/11 to 2015/16</li> <li>That the SLP1 Close Out Statement should serve as closure for SLP1</li> </ul>				
<b>7 June 2016</b>	<b>Resolution Taken</b>	<b>Resolution Number</b>	<b>Responsible Person</b>	✓	
<b>7.1.1</b>	<ul style="list-style-type: none"> <li>That Council take note of the Ward Committees report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 175/2015/16	Mr Khokhong/ Mr Chimana	✓	
<b>7.1.2</b>	<ul style="list-style-type: none"> <li>That Council take note of the Special Programmes report for the quarter ending 31<sup>st</sup> March 2016</li> </ul>	Res: 176/2015/16	Mr Khokhong	✓	
<b>7.2.1</b>	<ul style="list-style-type: none"> <li>That Council accept the investment and withdrawal report for the period 1<sup>st</sup> January 2016 to 31<sup>st</sup> March</li> </ul>	Res : 177/2015/16	CFO/ Mokubung Masego	✓	

	2016				
7.2.2	<ul style="list-style-type: none"> <li>That Council accept deviations for the period 1<sup>st</sup> January 2016 to 31<sup>st</sup> March 2016</li> <li>That the deviations report should be presented to Mpac for scrutiny</li> </ul>	Res: 178/2015/16	CFO/ Municipal Manager	✓	
7.2.3	<ul style="list-style-type: none"> <li>That Council accept the Cash Book report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 179/2015/16	Mokubung Masego	✓	
7.2.4	<ul style="list-style-type: none"> <li>That Council take note of the Remuneration report for Municipal employees for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 180/2015/16	Mokubung Masego	✓	
7.2.5	<ul style="list-style-type: none"> <li>That Council accept the supply chain management report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 181/2015/16	CFO/ Mr Molaelwe T	✓	
7.2.6	<ul style="list-style-type: none"> <li>That Council take note of the section 71 and the grant expenditure report for the month ending 30<sup>th</sup> January 2016</li> </ul>	Res: 182/2015/16	CFO	✓	

<b>7.2.6</b>	<ul style="list-style-type: none"> <li>That Council take note of the section 71 and grants expenditure report for the month ending 29 February 2016</li> </ul>	Res: 183/2015/16	CFO	✓	
<b>7.2.6</b>	<ul style="list-style-type: none"> <li>That Council take note of the section 71 and grant expenditure report for the month ending 31<sup>st</sup> March 2016</li> </ul>	Res: 184/2015/16	CFO	✓	
<b>7.2.6</b>	<ul style="list-style-type: none"> <li>That Council accept the section 71 and grant expenditure report for the third quarter 2015/16 financial year</li> </ul>	Res: 185/2015/16	CFO	✓	
<b>8.1</b>	<ul style="list-style-type: none"> <li>That Council accept the Itinerary for 2016/17 financial year</li> </ul>	Res: 186/2015/16	Mr Gopetse/ Mr Matsididi	✓	
<b>8.2</b>	<ul style="list-style-type: none"> <li>That Council accept the progress made regarding the Joe Morolong employment equity for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 187/2015/16	Mr Gopetse/ Mrs Sebotho	✓	
<b>8.3</b>	<ul style="list-style-type: none"> <li>That Council take note of the Joe Morolong Municipality IT report for the third quarter, 2015/16 financial year</li> </ul>	Res: 188/2015/16	Mr Gopetse/ Mr Molelekwa	✓	

<b>8.4</b>	<ul style="list-style-type: none"> <li>That Council accept the Joe Morolong Local Municipality's Workplace Skills Plan</li> </ul>	Res: 189/2015/16	Mr Gopetse/ Mrs Sebotho	✓	
<b>8.5</b>	<ul style="list-style-type: none"> <li>That Council take note of the 6% salary and wage increase with effect from 1<sup>st</sup> July 2016 in terms of the collective agreement dated 25<sup>th</sup> August 2015</li> </ul>	Res: 190/2015/16	MM/ Mr Gopetse	✓	
<b>8.6</b>	<ul style="list-style-type: none"> <li>That Council take note of the increase in the Bargaining Council levy with effect from 1<sup>st</sup> July 2016</li> </ul>	Res: 191/2015/16	MM/ Mr Gopetse	✓	
<b>8.7</b>	<ul style="list-style-type: none"> <li>That Council take note of resolution register for the third quarter: 2015/16 financial year</li> </ul>	Res: 191/2015/16	Mr Gopetse/ Mr Matsididi	✓	
<b>8.8</b>	<ul style="list-style-type: none"> <li>That Council accept the Joe Morolong draft health and safety policy</li> <li>That the service provider should be appointed to enable the Municipality to deal with work related health and safety issues and referrals</li> </ul>	Res: 192/2015/16	Mr Gopetse/ Mr Matsididi	✓	

9.1.1	<ul style="list-style-type: none"> <li>That Council accept the progress report for all water infrastructure projects implemented by the PMU</li> </ul>	Res: 193/2015/16	Mr Malola Given	✓	
9.1.2	<ul style="list-style-type: none"> <li>That Council accept the progress report for all the dry sanitation construction projects implementation by the PMU</li> </ul>	Res: 194/2015/16	Mr Malola Given	✓	
9.1.3	<ul style="list-style-type: none"> <li>That Council accept the progress report for all the rural road projects implemented by the PMU</li> </ul>	Res: 195/2015/16	Mr Malola Given	✓	
9.2.1	<ul style="list-style-type: none"> <li>That Council accept the progress report on the Kumba Iron Ore Funded projects for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 196/2015/16	Mr Tilhaole Shadrack	✓	
9.2.2	<ul style="list-style-type: none"> <li>That Council accept the SLP projects progress report of the United Manganese Mine Of Kalahari</li> </ul>	Res: 197/2015/16	Mr Tilhaole Shadrack	✓	
9.2.3	<ul style="list-style-type: none"> <li>That Council accept the Tshipi E Ntle Funded Projects progress report for the period January 2016-31<sup>st</sup> March 2016</li> </ul>	Res: 198/2015/16	Mr Tilhaole Shadrack	✓	

9.2.4	<ul style="list-style-type: none"> <li>• That Council accept the Assmang Manganese (Black Rock Mine Operations) FUNDED INFRASTRUCTURE PROJECTS PROGRESS REPORT FOR THE PERIOD January 2016-31<sup>st</sup> March 2016</li> <li>• The escalation in prices should be taken into consideration when the SLP allocation is done</li> <li>• That the IDP Process should always be followed in the implementation of SLPs by Mining Companies</li> </ul>	Res: 199/2015/16	Mr Tlhaole Shadrack	✓	
9.2.5	<ul style="list-style-type: none"> <li>• That Council accept the South 32 funded infrastructure projects progress report for January 2016-March 2016</li> <li>• That Council give permission to the Municipal Manager to sign the Memorandum of understanding with South 32 regarding water project implementation at Magobing</li> </ul>	Res: 200/2015/16	The Municipal Manager	✓	

<b>9.3</b>	<ul style="list-style-type: none"> <li>• That Council accept the refurbishment grant progress report</li> <li>• That communication should be strengthened between the Joe Morolong Local Municipality and the Service Providers</li> </ul>	Res: 201/2015/16	Mr Sithole Kenneth	✓	
<b>9.4</b>	<ul style="list-style-type: none"> <li>• That Council accept the Regional Bulk Infrastructure grant progress report for the quarter ending 31<sup>st</sup> March 2016</li> </ul>	Res: 202/2015/16	Mr Tlhaole Shadrack	✓	
<b>9.5</b>	<ul style="list-style-type: none"> <li>• That Council accept the Municipal infrastructure grant report for the 2014/15 financial year projects</li> </ul>	Res: 203/2015/16	Mr Mike Boullers	✓	
<b>9.6</b>	<ul style="list-style-type: none"> <li>• That Council of Joe Morolong Local Municipality accept the Municipal water infrastructure grant progress report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 204/2015/16	Mr Sithole Kenneth	✓	
<b>9.7</b>	<ul style="list-style-type: none"> <li>• That Council accept the Electrification report for the third quarter, 2015/16 financial year</li> </ul>	Res: 205/2015/16	Mr Mosegeleng Tshepo	✓	

9.8	<ul style="list-style-type: none"> <li>That Council accept the Motor Grader Operations and Maintenance report for the period ending 31<sup>st</sup> March 2016</li> <li>That the reporting template reflecting <u>job done</u>, <u>Areas</u>, <u>Grader registration</u> and <u>Drivers</u> should be developed.</li> </ul>	Res: 206/2015/16	Ms Kampilu Joey	✓	
9.9.1	<ul style="list-style-type: none"> <li>That Council take note of the Joe Morolong Local Municipality water quality report for the third quarter, 2015/16 financial year</li> </ul>	Res: 207/2015/16	Mr Keetile / Mr Melatwe Oratile	✓	
9.9.2	<ul style="list-style-type: none"> <li>That Council take note of the Joe Morolong Local Municipality's Blue Drop improvement plan</li> </ul>	Res: 208/2015/16	Mr Keetile / Mr Melatwe Oratile	✓	
9.9.3	<ul style="list-style-type: none"> <li>That Council take note of the Joe Morolong Local Municipality's Green Drop improvement plan</li> </ul>	Res: 209/2015/16	Mr Melatwe Oratile / Mr Keetile	✓	
9.10	<ul style="list-style-type: none"> <li>That Council take note of the water operations and maintenance report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 210/2015/16	Mr Keetile / Mr Melatwe Oratile	✓	



<b>9.11</b>	<ul style="list-style-type: none"> <li>That Council accept the fleet management report for the period ending 31<sup>st</sup> March 2016</li> </ul>	Res: 211/2015/16	Mr Mphafi Paulus	✓	
<b>9.12</b>	<ul style="list-style-type: none"> <li>That Council take note of the Labour report on jobs created in the Capital projects for the period January 2016-31<sup>st</sup> March 2016</li> </ul>	Res: 212/2015/16	Mr Malola Given/ Mr Tlhaole Shadrack	✓	
<b>9.13</b>	<ul style="list-style-type: none"> <li>That Council take note of the nominated Sub-Contractors for the period 31<sup>st</sup> March 2016</li> </ul>	Res: 213/2015/16	Mr Tlhaole Shadrack	✓	
<b>9.14</b>	<ul style="list-style-type: none"> <li>That Council of Joe Morolong Local Municipality take note of the Technical support plan</li> </ul>	Res: 214/2015/16	Mr Tlhaole Shadrack	✓	
<b>9.15</b>	<ul style="list-style-type: none"> <li>That Council take note of the Housing implementation plan in Heuningvlei</li> </ul>	Res: 215/2015/16	Mr Tlhaole Shadrack	✓	
<b>10.1</b>	<ul style="list-style-type: none"> <li>That Council of Joe Morolong Local Municipality take note of the Municipal quarterly performance report for the period 1<sup>st</sup> January 2016-31<sup>st</sup> March 2016</li> </ul>	Res: 216/2015/16	Mr Phiri	✓	

<b>10.2</b>	<ul style="list-style-type: none"> <li>That Council approve the application of servitude on the farm Longdon no 273</li> </ul>	Res: 217/2015/16	Mr Phiri	✓	
<b>10.3</b>	<ul style="list-style-type: none"> <li>That Council of Joe Morolong Local Municipality approves the rezoning of the farm, Rhodes 1 no.269 and the remaining extent of the farm East no.270, Joe Morolong Local Municipality</li> </ul>	Res: 218/2015/16	Mr Phiri	✓	
<b>11.1</b>	<ul style="list-style-type: none"> <li>That Council take note of the progress report regarding the Joe Morolong Low Cost Housing projects</li> </ul>	Res: 219/2015/16	Mrs Mabudi	✓	
<b>11.2</b>	<ul style="list-style-type: none"> <li>That Council give permission to the Municipal Manager to sign the Library Services Business Plan for 2016/17 financial year</li> </ul>	Res: 200/2015/16	Mrs Mabudi	✓	
<b>11.3</b>	<ul style="list-style-type: none"> <li>That the Memorandum of understanding should be signed between John Taolo Gaetsewe Developmental Trust and Joe Morolong Local Municipality</li> </ul>	Res: 201/2015/16	The Municipal Manager	✓	
<b>11.4</b>	<ul style="list-style-type: none"> <li>That Council of Joe Morolong Local Municipality take note of the approved waste Licence for the</li> </ul>	Res: 222/2015/16	Ms Seneo Letselebe	✓	

	construction and operation of the Waste Disposal Site at Glen-Red				
11.5	<ul style="list-style-type: none"> <li>That Council take note of the Cooperation agreement between the Social Housing Authority and the Northern Cape Department of Human Settlement</li> </ul>	Res: 223/2015/16	Ms Mabudi Kgomoitso	✓	
<b>ADDENDUM</b>	<ul style="list-style-type: none"> <li></li> </ul>			✓	
8.9	<ul style="list-style-type: none"> <li>That Council take note of the Local Government Regulations on the appointment Senior Managers</li> <li>That the competency- Based Assessment Service provider should be appointed for the Joe Morolong Local Municipality</li> </ul>	Res: 224/2015/16	Mayor/ Municipal Manager	✓	
8.10	<ul style="list-style-type: none"> <li>That Council take note of the DA's letter of withdrawal of Mathomantsho Percy Bakang and his replacement by Mr Nlhapo Mlwayedwa Marcus</li> </ul>	Res: 225/2015/16	Mr Matsididi M A/ Mr Gopetse T J	✓	

<b>8.11</b>	<ul style="list-style-type: none"> <li>That council take note of the withdrawal of Gazette No. 39991 and its replacement by the Gazette No. 40 000.</li> <li>That the 6% cost of living adjustment for Municipal Managers and Managers directors directly accountable to the Municipal Manager should be implemented with effect from 1<sup>st</sup> July 2016.</li> </ul>	Res: 226/2015/16	Mr Segami Moagi/ Mr Gopetse T J/ cfo/ Municipal Manager	✓	
<b>9.16</b>	<ul style="list-style-type: none"> <li>That council take note of the Pula Nala report</li> </ul>	Res: 227/2015/16	Mr Melatwe Oratile	✓	
<b>9.17</b>	<ul style="list-style-type: none"> <li>That Council take note of the DBSA report</li> </ul>	Res: 228/2015/16	Mr Tlhaole Shadrack / CFO / Municipal Manager	✓	
<b>9.18</b>	<ul style="list-style-type: none"> <li>That Council take note of the Vaal Gamagara water scheme report</li> </ul>	Res: 229/2015/16	Mr Tlhaole Shadrack	✓	
<b>11.6</b>	<ul style="list-style-type: none"> <li>That council empower the Municipal Manager and the chairperson of the LRC to sign the Joe Morolong Site Plan.</li> </ul>	Res: 230/2015/16	Mrs Mabudi K J/ Municipal Manager	✓	

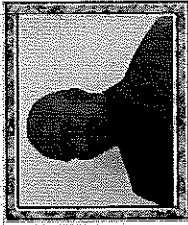
## ADMINISTRATIVE GOVERNANCE: TOP ADMINISTRATIVE STRUCTURE

### Tier 1

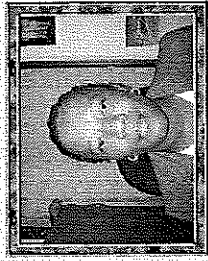


Mr. TM Bloom      Municipal Manager

### Tier 2



Mr. TJ Gopetse  
Director: Corporate Services



Mrs. K Mabudi  
Director: Community Services



Mr. T. Tlhaole  
Director: Technical Services



Mrs. B. Mothaping  
Chief Financial Officer



Mr. KV Phiri  
Director: Development and Town Planning

**Tier 3**

<b>DIRECTORATE</b>	<b>MANAGER</b>	<b>NAME</b>
Office of the Municipal Manager Financial Services	Legal and Compliance	Mr. BE Khokhong
	Manager: Expenditure	Ms. M. Mokubung
	Manager: Income	Mr. V. Christie
	Manager: Supply Chain Management	Mr. T. Molalwe
Technical Services	Manager: PMU	Mr. G Malola
	Manager: Water	Mr. K. Sithole
Corporate Services	Manager: Human Resources	Mr. M Segami
	Manager: IT	Mr. T. Molelekwa
	Records Manager	Mr GD Motlhoiwa
Planning and Development	Manager: IDP/PMS	Mrs. MC Melokwe

	Manager: Town Planning	Ms L. Nekhaguma
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## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 INTERGOVERNMENTAL RELATIONS**

Section 42 of the Constitution provides that all spheres of government must cooperate with one another in a mutual trust and good faith by establishing and providing for structures to promote intergovernmental relations.

The cooperation of all the spheres of government ensures the synergy and alignment of programmes and maximization of resources instead of working in silos which leads to the duplication of services and wasting of limited financial resources. Joe Morolong Local Municipality is participating in both the national and provincial intergovernmental structures.

### **DISTRICT INTERGOVERNMENTAL STRUCTURE**

It is in this structure where all spheres of government including business (Mining Houses) and parastatals report in terms of annual plans and quarterly reports on progress on planned activities. This structure is held on quarterly basis. Normally it is held after the Local Municipal IDP Representative Forum has been held. It is at the Representative Forum where District Sector Departments Reports their progress in terms of service delivery, together with other stakeholders. Joe Morolong Municipality then consolidates a comprehensive report for the IGR meeting that includes all the stakeholders in the municipal area.

This meeting is attended by the District Executive Mayor, all Mayors for Local Municipalities, Municipal Managers, Senior Managers in Municipalities and District Managers for Sector Departments and Parastatals. District Executive Mayor is the chair of this structure.

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

This structure is held on quarterly basis. Normally it is held after the District Intergovernmental Forum Meetings have been held. It is at the District Intergovernmental Forum Meeting where District Sector Departments Reports their progress in terms of service delivery, together with other stakeholders. The District will then consolidate a comprehensive report for the PIGR meeting that includes all the stakeholders in the province. This meeting is attended by the Premier as chair, all Mayors for District and Local Municipalities, Municipal Managers, HODs, Senior Managers in Sector Departments and Parastatals.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.2 PUBLIC MEETINGS**

The public participation programme of the Joe Morolong Local Municipality is intended to create opportunities for the political principals to be actively involved in the sharing of information about what government and in particular the Joe Morolong Local municipality is doing to improve and add to the betterment of the lives of the community.

Through public participation greater access to the decision-making processes of the municipality to all its stakeholders is opened up.

It implies that members of the general public or representatives of the affected community or the role players are actively involved in the planning process of the district municipality.

To accomplish the above the municipality has developed a public participation plan which is intended to be rolled-out in collaboration with other role players; stakeholders and sector departments in the area of jurisdiction of the municipality.

This will be done to address the Public Participation Plan approach that have been adopted by Cabinet in May of 2010 which requires all political principles to have at least 10 public events for the financial year.

Through the public participation approach the municipality wishes to strengthen and enable good governance and sustained service delivery.

It is therefore crucial that the stakeholders of the municipality be involved in the affairs of the municipality.

The participation processes that will be improved by the plan are as follows:

- ✓ Ward meetings;
- ✓ Budget Consultation meetings;



- ✓ Integrated Development Planning (IDP)
- ✓ Joint Outreach Programmes with other sectors of government;
- ✓ Annual performance management feedback meeting; and
- ✓ Media briefings.

The JMLM revamped its official website in the 2013/14 financial year. The old website was found not to conform to the requirements of the Municipal Finance Management Act, 56 of 2003 (MFMA) in terms of the information regarding the financial status of the municipality that must be displayed on the website.

## **2.5 IDP PARTICIPATION AND ALIGNMENT**

### **IDP/Budget participation**

The Municipal System Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP.

Annually the Municipality must base their performance against performance measure as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document.

The IDP Representative Forum has been functional with sector government departments participating, government entities (eg Eskom and Sedibeng Water) and mines within our municipal jurisdiction. They have been reporting on the progress on the programme and projects that they are implementing in our municipal area. The participation of other government departments has not been satisfactory; especially the Department of Health who have attended only one meeting despite invites being faxed, e-mailed and hand delivered.

### **WARD COMMITTEES**

The Local Government: Municipal Structures Act, 1998 says: The objective of a ward committee is to enhance participatory democracy in local government. Ward committees are a part of local governance and an important way of achieving the aims of local governance and democracy mentioned in the Constitution, 1996.

The Local Government: Municipal Structures Act, 1998 is the Act that makes provision for the establishment of ward committees as a possible way of encouraging community participation in municipal matters. A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

All the 15 ward committees are functional and they have been holding their monthly meetings consistently and quarterly reports have been submitted to Council.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Community participation for the IDP and Budget Review	23 November 2015 till 03 December 2015	29	21	1187	Yes	09 – 17 April 2016

### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Council has had two community consultations for the purpose of developing / reviewing the Integrated Development Plan and Budget. The first meeting was for identifying community needs and followed by the second one to provide feedback in terms of available budget for implementation of identified projects and programmes. Other than that the mayor accompanied by her EXCO and other councillors embarked on operational Tsiboga in which the Mayor was launching infrastructure projects and also dealing with any other issue

T 2.4.3.1

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T 2.5.1	

## COMPONENT D: CORPORATE GOVERNANCE

The Municipal Council comprises of the governing and decision making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality by setting the course through the development of IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented.

### 2.6 RISK MANAGEMENT

The municipality has developed a risk register that is updated in quarterly basis. Risk management is a shared service.

### 2.7 ANTI-CORRUPTION AND FRAUD

There was no case pertaining to corruption and fraud

### 2.9 BY-LAWS

By-Laws	
By-law for Water	Technical Services
By-law for Environment	Community Services
By-law for Cemeteries	
By-law for Building Control	Finance Services
By-law for Tariffs	
By-law for Debt Collection	Planning and Development
By-law for SPLUMA	

**COMMENT ON BY-LAWS:**

Council adopted the following By-Laws:

Water and Sanitation services draft By-law  
Building Control draft By-law  
Tariffs, Credit Control and Debt collection draft By-law  
Cemeteries draft By-law  
Environmental draft By-law  
Spatial Planning and Land use Management draft By-law  
Electricity draft By-law

Consultation were held in all 15 wards to consult communities about proposed the By-Laws for the Municipality, and to get inputs from Municipal residents about the proposed by-laws. All stakeholders; Mining Houses; Farmers and Traditional Councils were consulted.  
Residents were also given an opportunity to ask questions, give comments and their inputs about other issues in the Municipality.

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Y	
All current budget-related policies	Y	
The previous annual report (Year -1)	Y	
The annual report (Year 0) published to be published	N	1-Jan-17
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Y	
All service delivery agreements (Year 0)	Y	
All long-term borrowing contracts (Year 0)	Y	
All supply chain management contracts above a prescribed value (give value) for Year 0	Y	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N	30-Sep-17
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0	N	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Y	
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>		

T 2.10.1

T 2.10.1.1

## **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

The Municipal System Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP.

Annually the Municipality must base their performance against performance measure as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document.

The IDP Representative Forum has been functional with sector government departments participating, government entities (eg Eskom) and mines within our municipal jurisdiction. They have been reporting on the progress on the programme and projects that they are implementing in our municipal area.

## **CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)**

We are obliged as a municipality to provide quality services to the communities within our municipal jurisdiction. As local municipality we are committed to making the lives of our citizenry better. We have been able to provide services to the people as per our mandate. Our indigents have been receiving their free basic water and electricity without any hindrance. The collection of refuse in Hotazel and Vanzylsrus has been improved and we are collecting waste twice on a weekly basis.

Improvement in our tracing of debtors has impacted positively on our ability to collect revenue and it has increasing our collection rate. Establishment of youth forums has assisted the municipality to interact with young people, both out of school, unemployed, employed and those in business as it is a structure that deals with challenges facing young people in our locality. Functionality of ward committees has assisted the municipality to foster a close relationship with the community and community organizations and in identifying service delivery challenges and attending to them speedily.

### **1.3.1 Achievements**

- Spend 100% of the MIG budget

- Submitted AFS, Annual Performance Report, Annual Report and section 72 Report on time
- IDP consultation was done
- IDP and budget adopted on time
- Performance agreement for senior managers signed on time
- All budgeted vacant positions were filled
- We have established 15 ward committees of the 15 wards and they are functional

### **1.3.2 Challenges**

- Municipal inability to complete infrastructure project on time

## **COMPONENT A: BASIC SERVICES**

### **INTRODUCTION TO BASIC SERVICES**

The Project Management Unit in Joe Morolong Local Municipality is well established to meet the pressing needs of basic service provisioning. The PMU harmonises and integrates the efforts of all the various Departments, not only within the Municipality but sector Departments, in order to achieve set standards and SDBIP objectives. Community- and Technical Services, Finances and Legal are all important participants in the implementation of Water, Sanitation, Housing and Roads infrastructure projects.

The relationship between O&M and the PMU was drastically improved in order to address the needs of the community more effectively and efficiently.

Please note that service like sanitation, roads and storm water are all combined within the Project Management Unit.

This section includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.



This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### **3.1. WATER PROVISION**

#### **INTRODUCTION TO WATER PROVISION**

Water provisioning in the Joe Morolong area is mainly by means of abstraction from boreholes. However, Hotazel, one of our two towns, receive water from the Vaal-Gamagara Water Pipeline.

Water infrastructure demands are documented and prioritised in our IDP. After adoption of the IDP by Council and confirmation of the budget allocation as per DORA, the SDBIP is finalised. The PMU act on this by using the SDBIP as the basis (input) to the Three year Implementation Plan.

During the 2015-16 Financial Year thirteen Water Infrastructure projects were embarked on, of which twelve were successfully completed. Refurbishment of boreholes, associate equipment and pump houses also took place in fifteen villages. Practical completion of the self-built Eskom Line for the Heuningvlei Bulk Water supply scheme was also facilitated in the reporting period.

A well-established Water Unit within the municipality responded timeously to all the reported water related queries. This section also managed to repair 96% of the faults during the reporting period.

Joe Morolong Local Municipality is the (WSA) Water Services Authority which means that it must regulate water issues within its jurisdiction guided by the National Water Act 32 of 1998, the institution also serves as a (WSP) Water Services Provider; meaning that it is of the institutions best interest in ensuring that water is provided to residents on acceptable standards including quality guided by SANS 241.

JMLM as the WSA is experiencing challenges on certain identified water systems and sources, because our predominant water source is ground water there would be a number of contributing factors affecting our quality of water (Agricultural activities and environmental issues). JMLM water quality programme is implemented on a smaller scale due to budgetary constraints, full SANS water quality monitoring is implemented on identified systems to improve the accuracy of quality of water supplied to communities.

Blue Drop compliance is still a challenge but improving because there are systems in place that will assist the institution to comply with the requirements. Below is our blue drop compliance history and targets as per the IDP.

(2012 – 0%)  
 (2013 – 35%) preliminary  
 (2014 – 50%) Projected  
 (2015 – 65%) Target

## WATER QUALITY

Joe Morolong Local Municipality is the (WSA) Water Services Authority which means that it must regulate water issues within its jurisdiction guided by the National Water Act 32 of 1998, the institution also serves as a (WSP) Water Services Provider; meaning that it is of the institutions best interest in ensuring that water is provided to residents on acceptable standards including quality guided by SANS 241.

## WATER QUALITY QUARTERLY REPORT

Water sampling: 1<sup>st</sup> quarter

Month	Sample s taken	Samples tested	Sample s failed	Remedial Actions taken for failed samples	Type of failure
JULY	24	24	8	Chlorination & issue notices to community Resampling to confirm failure	Chemical and bacteriological

AUGUST	34	34	6	Chlorination & issue notices to community Resampling to confirm failure	Chemical and bacteriological
SEPTEMBER	26	26	6	Chlorination & issue notices to community Resampling to confirm failure	Bacteriological
<b>TOTAL</b>	84	84	20		

**Water sampling: 2<sup>nd</sup> quarter**

Month	Samples taken	Samples tested	Samples failed	Remedial Actions taken for failed samples	Type of failure
OCTOBER	23	23	6	Chlorination & issue notices to community	Bacteriological
NOVEMBER	29	29	10	Resampling to confirm failure Chlorination & issue notices to community Resampling to confirm failure	Bacteriological
DECEMBER	25	25	6	Chlorination & issue notices to community Resampling to confirm failure	Bacteriological
<b>TOTAL</b>	77	77	22		

**Water sampling: 3<sup>rd</sup> quarter**

Month	Samples taken	Samples tested	Samples failed	Remedial Actions taken for failed samples	Type of failure
JANUARY	20	20	5	Chlorination & issue notices to community	Bacteriological and Chemical
FEBRUARY	20	20	4	Chlorination & issue notices to community	Bacteriological and Chemical
MARCH	20	20	3	Chlorination & issue notices to community	Bacteriological
TOTAL	60	60	12		

**Water sampling 4<sup>th</sup> quarter**

Month	Samples taken	Samples tested	Samples failed	Remedial Actions taken for failed samples	Type of failure
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APRIL	20	20	2	Chlorination & issue notices to community	Bacteriological
MAY	20	20	2	Chlorination & issue notices to community	Bacteriological
JUNE	20	20	2	Chlorination & issue notices to community	Bacteriological
TOTAL	60	60	6		

#### Progress on the jobs attended in the year under review

Joe Morolong Local Municipality is the (WSA) Water Services Authority which means that it must regulate water issues within its jurisdiction guided by the National Water Act 32 of 1998, the institution also serves as a (WSP) Water Services Provider; meaning that it is of the institutions best interest in ensuring that water is provided to residents on acceptable standards.

#### Jobs attended- 1<sup>st</sup> quarter

Month	No of job reports	No attended to	Outstanding	Reason for variance
-------	-------------------	----------------	-------------	---------------------

Jul-15	359	341	18	Equipment, material and tools shortage
Aug-15	394	382	12	Equipment, material and tools shortage
Sep-15	401	393	8	Equipment, material and tools shortage and community strikes
<b>TOTAL</b>	<b>1154</b>	<b>1116</b>	<b>38</b>	

**Jobs attended- 2<sup>nd</sup> quarter**

Month	No of job reports	No attended to	Outstanding	Reason for variance
Oct-15	314	293	21	Equipment, material and tools shortage
Nov-15	383	364	19	Equipment, material and tools shortage
Dec-15	468	442	26	Equipment, material and tools shortage
<b>TOTAL</b>	<b>1165</b>	<b>1099</b>	<b>66</b>	

**Jobs attended 3<sup>rd</sup> quarter**

Month	No of job reports	No attended to	Outstanding	Reason for variance
Jan-16	612	601	11	Equipment, material and tools shortage
Feb-16	523	510	13	Equipment, material and tools shortage
Mar-16 (Projected)	317	311	6	Equipment, material and tools shortage
<b>TOTAL</b>	1452	1422	30	

#### JOBS ATTENDED 4<sup>TH</sup> QUARTER

Month	No of job reports	No attended to	Outstanding	Reason for variance
Apr-16	291	283	8	Equipment, material and tools shortage
May-16	311	295	16	Equipment, material and tools shortage
Jun-16	288	276	12	Equipment, material and tools shortage
<b>TOTAL</b>	890	854	36	

## **CHALLENGES**

The municipality is receiving an average of 310 queries monthly which are related to operation and maintenance of infrastructure which almost 90% are attended to successfully. The remaining 10% is then rolled over to the following month due to resource shortage (fleet and material)

### **Aging Infrastructure**

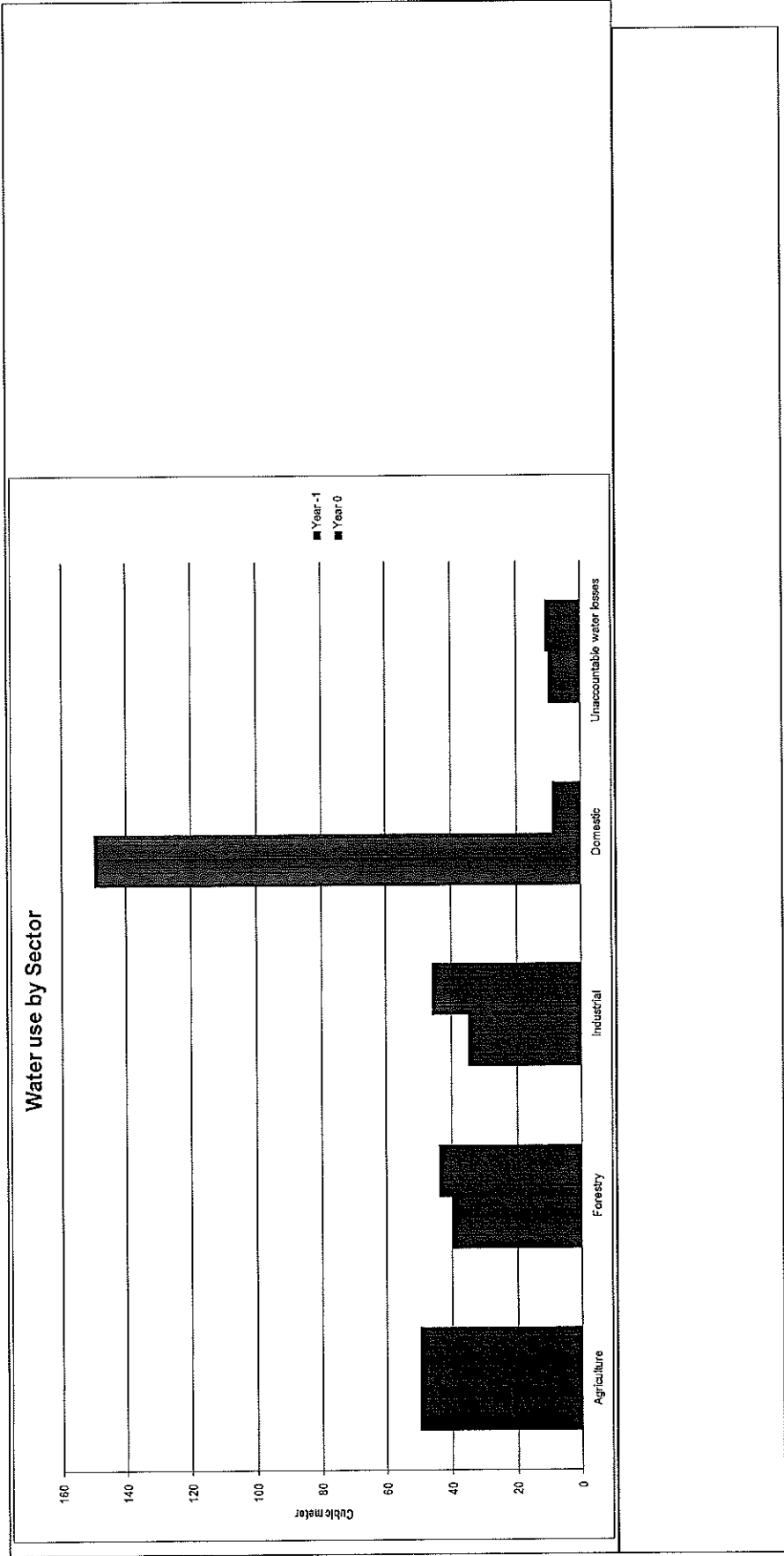
20 of our villages have aging water infrastructure. This needs to be addressed as it will cause water shortage problems.

Following are these villages:

Bojelapotsang, Bothithong, Colston, Deurham, Deurward, Dikhing, Dinokaneng, Gamokatedi, Gamothibi, Ganap, Gasehunelo wyk 7, Kgebetlwane, Kokfontein, Laxey, Loopeng, Magaladi, Manyeding, Masilabetsane, Samsokol and Segwaneng



Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	50	40	35	150	10
Year 0	50	44	46	9	11
					737.2



**COMMENT ON WATER USE BY SECTOR:**

Water in Joe Morolong is supplied by means of a Sedibeng Water pipeline to Hotazel. As for the rest of the 186 villages, potable water is supplied through groundwater schemes. In the Heuningvlei area, consisting of about 7 villages, water is provided by means of a newly built bulk water infrastructure scheme. Other bulk water schemes are currently investigated by the municipality but the vast distances between the various villages poses cost constraints on this method.

Water Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 2	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	Provision of Water	*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
		Van Zylsrus - Phase 1	Van Zylsrus - Phase 1	Kikahela 1&2	Bendell - Phase 2	Bendell - Phase 2	Ga-Rapoane	Deurham	Moseohatse
		Klein Neira - Phase 1	Klein Neira - Phase 1	Bendell - Phase 2	Heuningvlei Bulk Water Scheme: Phase 2(a)	Heuningvlei Bulk Water Scheme: Phase 2(a)	Gatswinyane	Diwatshane	Segwaneng
		Heuningvlei Bulk Water Scheme: Phase 1	Heuningvlei Bulk Water Scheme: Phase 1	Heuningvlei Bulk Water Scheme: Phase 2(a)	Heuningvlei Bulk Water Scheme: Phase 2(a)	Heuningvlei Bulk Water Scheme: Phase 2(a)	Kikahela 1&2	Dithakong	Setshwaneng
	Implement Water Supply/Upgrade Projects in various Villages in the Joe Morolong area								Metsimantsi Wyk 3
									Metsimantsi Wyk 4

		Phase 1		: Phase 2(b)					
Mokala Noga	wa Noga	Mokala	Heuningvlei Bulk Water Scheme: Phase 2(b)	Eiffel/Klein Eiffel - Phase 2	Heuningvlei Bulk Water Scheme: Phase 2(a)	Cassel	Kome	Metsimantsi Wyk 5	
Madibeng Bulk		Madibeng Bulk	Eiffel/Klein Eiffel - Phase 2	Gadiboe	DWA Refurbishment Programme (2014/15)	Wateraai	Makhubung	Metsimantsi Wyk 6	
Kortnight Phase 2	-	Kortnight - Phase 2	Gadiboe	DWA Refurbishment Programme (2014/15)	Klein Neira Phase - 2	Adderly	Tsiloane	Metsimantsi Wyk 7	
Niks		Niks	DWA Refurbishment Programme (2014/15)	Kiangkop	Motlhoeng	Makgala di	Perth	Laxey	
Kokonye		Kokonye	Kiangkop	Klein Neira Phase - 2	Kiangkop		Gakoe/Garamotsokwana	Logobate	
Drieloop		Drieloop	Klein Neira Phase - 2	Masankong	Klein Neira Phase - 3		Laxey	Lothlakajaneng	
Kganung		Kganung	Masankong	Danoon	Masankong		Ga-Sehunelo Wyk 4	Magwagwe	

		Ditlharapaneng	Ditlharapaneng	Danoon	Khankhudung	Danoon	Bush Buck	Sesipi
		Maipeng Phase 2	Maipeng - Phase 2	Khankhudung	March	Khankhudung	Camden	
		Bendell Phase 1	Bendell - Phase 1	March	Maphiniki Phase 2	April	Bojela potsane	
		Eiffel/Klein Eiffel - Phase 1	Eiffel / Klein Eiffel - Phase 1	Mosekeng	Kanana	Maphiniki Phase 3	Churchill	
		DWA Refurbishment Programme (2013/14)	DWA Refurbishment Programme (2013/14)	Magobing-East	Radiatsongwa	Kanana	Deurward	
		Kikahela 1&2		Maphiniki Phase - 2	Motlhoe ng	Radiatsongwa	Metsimantsi Wyk 1	
		Bendell Phase 2		Kanana	Tsineng Water	Tsineng Water		
		Heuningvlei Bulk Water Scheme: Phase 2(a)		Radiatsongwa	Ga-Rapoane	Bendell Phase 2		
		Heuningvlei Bulk Water Scheme: Phase 2(b)		Tsineng Water	Gatswin yane	Heuningvlei Bulk Water Scheme: Phase 2(b)		







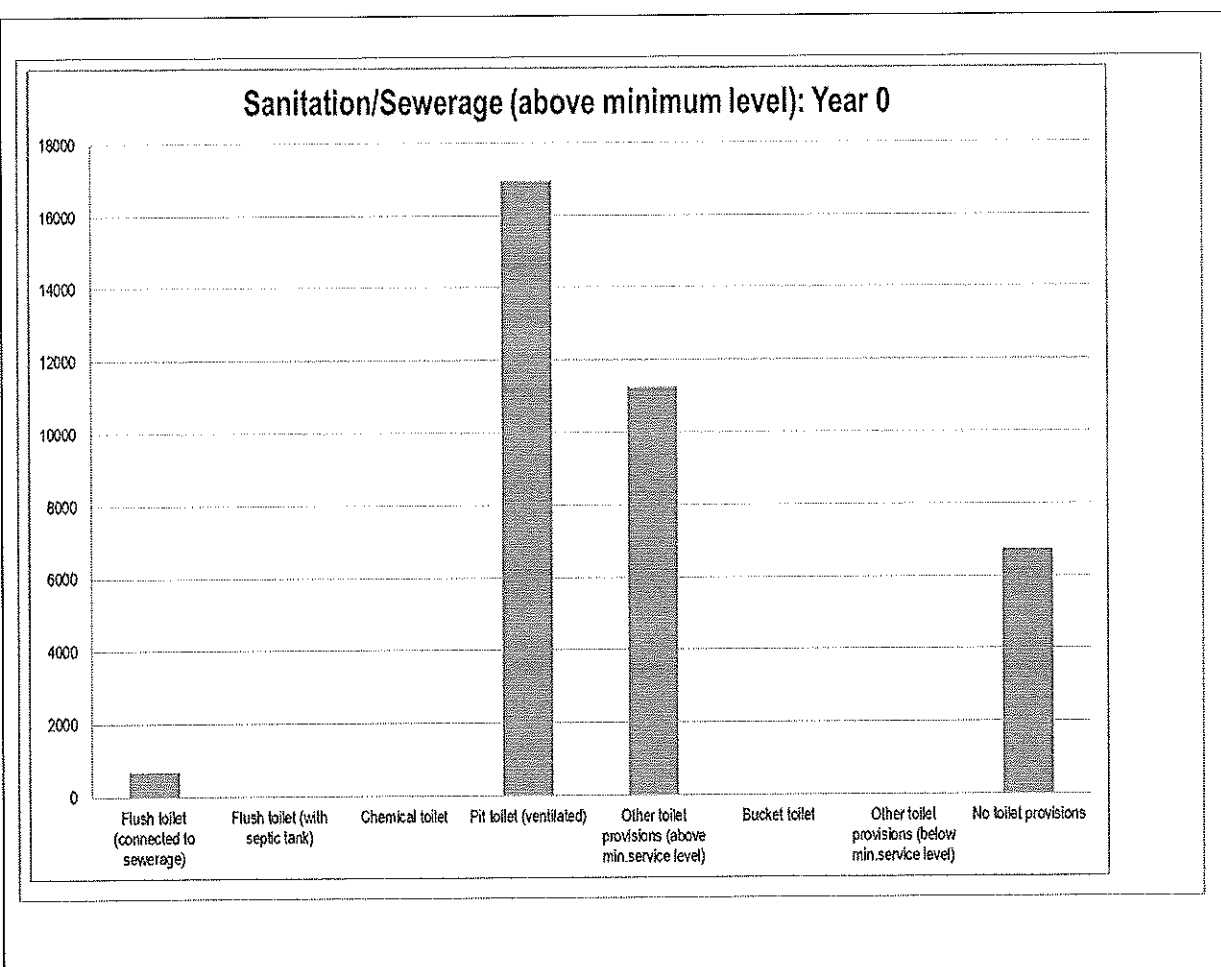
## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Sanitation provisioning in the Joe Morolong area is mainly by means of VIP or UDS Dry Pit latrines, depending on the water protocol in the particular area. However, our two towns, Hotazel and Vanzylsrus, are connected to waterborne sanitation systems. Sanitation infrastructure demands are documented and prioritised in our IDP.

After adoption of the IDP by Council and confirmation of the MIG budget allocation as per DORA, the SDBIP is finalised. The PMU act on this by using the SDBIP as the basis (input) to the three year Implementation Plan.

During the 2015-16 Financial Year more than a thousand new sanitation units were erected in various villages.





Sanitation Service Delivery Levels					*Households
Description	Year -3	Year -2	Year -1	Year 0	
	Outcome No.	Outcome No.	Outcome No.	Actual No.	
<b>Sanitation/sewerage: (above minimum level)</b>					
Flush toilet (connected to sewerage)	695	695	695	695	
Flush toilet (with septic tank)	0	0	0	0	
Chemical toilet	0	0	0	0	
Pit toilet (ventilated)		16254	15784	16964	
Other toilet provisions (above min.service level)					
Minimum Service Level and Above sub-total	1	17	16	18	
Minimum Service Level and Above Percentage	100.0%	100.0%	67.8%	72.4%	
<b>Sanitation/sewerage: (below minimum level)</b>					
Bucket toilet	0	0	0	0	
Other toilet provisions (below min.service level)	0	0	0	0	
No toilet provisions			7817	6743	
Below Minimum Service Level sub-total	-	-	8	7	
Below Minimum Service Level Percentage	0.0%	0.0%	32.2%	27.6%	
Total households	1	17	24	24	
<b>*Total number of households including informal settlements</b>					<b>T 3.2.3</b>

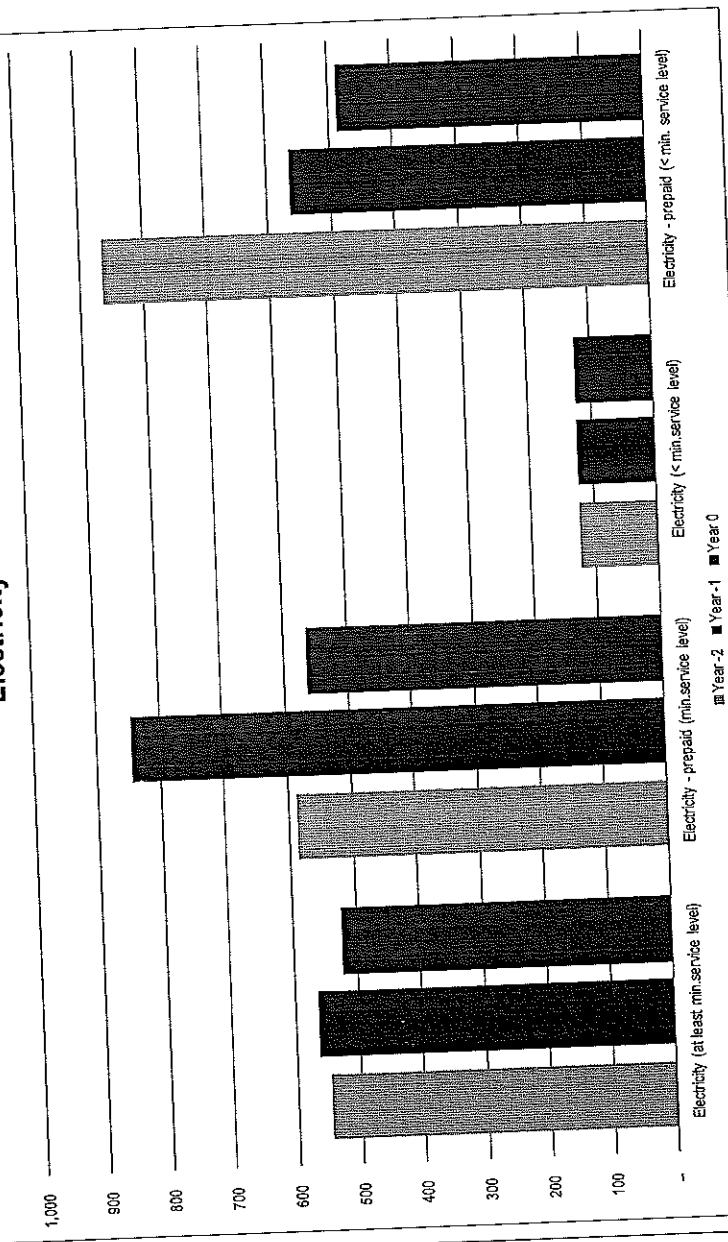
Households - Sanitation Service Delivery Levels below the minimum							Households
Description	Year -3	Year -2	Year -1	Year 0			
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.	
<b>Formal Settlements</b>							
Total households	23707	23707	23707	23707	23707	23707	
Households below minimum service	12324	8294	7867	6743	6743	6743	
Proportion of households below minimum service level	52%	35%	33%	28%	28%	28%	
<b>Informal Settlements</b>							
Total households	-	-	-	-	-	-	
Households below minimum	N/A	N/A	N/A	N/A	N/A	N/A	
Proportion of households below minimum service level							
							<b>T 3.2.4</b>

Sanitation Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 2	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
Provide Sanitation Infrastructure	Erect Dry Sanitation units in Various Villages	Madibeng	Madibeng	Ellendale	Ellendale		Ellendale	Mosekeng	Vanzylsrus
		Glen Red	Glen Red	Tzaneen	Tzaneen		Tzaneen	Bendell	
		Ncwelengwe	Ncwelengwe	Penryn	Penryn		Penryn	Tsineng	Kokfontein
		Metswetsane	Metswetsane	Heuningvlei	Heuningvlei		Heuningvlei	Maipeng	Wesselsville
		Gatswinyane	Gatswinyane	Gamadubu	Gamadubu		Gamadubu	Rustfontein Wyk 9	Vanzylsrus
		Camden	Camden	Takeng	Takeng		Takeng	Radiatson gwa	Kokfontein
		Heuningvlei	Heuningvlei	Esparenza	Esparenza		Esparenza	GA-SEHUNEL O Wyk 4	
		Ellendale		Baileybrits	Baileybrits		Baileybrits	Pompong	
		Tzaneen		Bosra	Bosra		Bosra	GA-SEHUNEL O Wyk 7	
		Penryn						Damros	
		Heuningvlei		Mmatoro	Mmatoro		Mmatoro		





# Electricity



T 3.3.2

Electricity Service Delivery Levels					Households	
Description	Year -3		Year -2		Year -1	Year 0
	Actual	No.	Actual	No.	Actual	Actual
<b>Energy: (above minimum level)</b>						
Electricity (at least min. service level)	17936	18506	18772	19383		
Electricity - prepaid (min. service level)	0	0	0	0		
<i>Minimum Service Level and Above sub-total</i>	17936	18506	18772	19383		
<i>Minimum Service Level and Above Percentage</i>	75.7%	78.1%	79.2%	81.8%		
<b>Energy: (below minimum level)</b>						
Electricity (< min. service level)	5771	5201	4935	4325		
Electricity - prepaid (< min. service level)						
Other energy sources						
<i>Below Minimum Service Level sub-total</i>	6	5	5	4		
<i>Below Minimum Service Level Percentage</i>	24.3%	21.9%	20.8%	18.2%		
<b>Total number of households</b>	23707	23707	23707	23707		
						7 3.3.3

Households - Electricity Service Delivery Levels below the minimum									
Description	Year -3		Year -2		Year -1		Year 0		Households
	Actual	No.	Actual	No.	Actual	No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements									
Total households	23707		23707		23707		23707	23707	23707
Households below minimum service	5771		5201		4935		4325	4325	4325
Proportion of households below minimum service level	24%		22%		21%		18%	18%	18%
Informal Settlements									
			N/A						
									1334

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3					
4 - 6					
7 - 9					
10 - 12	1	1		1	300%
13 - 15					
16 - 18					
19 - 20					
Total					

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  
 \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days

Description	Electricity Service Delivery Levels					
	Year -3		Year -2		Year -1	
	Actual No.		Actual No.		Actual No.	
<b>Energy:</b> (above minimum level)						
Electricity (at least min. service level)	17936	18506	18772	19383		
Electricity - prepaid (min. service level)	0	0	0	0		
Minimum Service Level and Above sub-total	17936	18506	18772	19383		
Minimum Service Level and Above Percentage	75.7%	78.1%	79.2%	81.8%		
<b>Energy:</b> (below minimum level)						
Electricity (< min. service level)	5771	5201	4935	4325		
Electricity - prepaid (< min. service level)						
Other energy sources						
Below Minimum Service Level sub-total	6	5	5	4		
Below Minimum Service Level Percentage	24.3%	21.9%	20.8%	18.2%		
Total number of households	23707	23707	23707	23707		
						7 3.3.3



Capital Expenditure Year 0: Property; Legal; Risk Management and Procurement Services					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	4481049	8090178	13764208	67%	
Heuningvlei & Gammokwane	1215492	2327513	4630151	74%	
Perth	1311291	798570	1311291	0%	
Sesipi	108679	108680	108680	0%	
Makhubung	394246	571919	1393473	72%	
Madibeng	695336	754732	695336	0%	
Magojaneng	489731	663097	941154	48%	
Churchill & Esperenza	85983	2172251	2172251	96%	
Tzanenen	41535	448934	415316	90%	
Gamasepa	138756	244482	2096557	93%	
Total project value represents the estimated cost of the project on approval by Eskom and Council (including past and future expenditure as appropriate.					T 3.3.8

#### **COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:**

On Capital expenditure, our main objective is to engage Eskom and the Department of Energy to increase the electrification budget in order to expedite the eradication of backlogs.

On the Operational aspects, Joe Morolong Local Municipality will budget for highmast lights and Eskom connections. The electrification of diesel driven boreholes will also receive attention. There is also a need for more electrical Operations & Maintenance.

#### **3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)**

##### **INTRODUCTION TO WASTE MANAGEMENT**

In JMLM refuse is collected in two areas; namely: Hotazel and Vanzylsrus. The service is rendered for 1144 households in the two above mentioned areas. The municipality do collect refuse twice a week for households and businesses as per developed and adopted collection schedule. Both the landfill sites that are used for waste disposal are not licensed for JMLM, the one in Vanzylsrus is licensed on JTGDM and the one in Hotazel on BHP Billiton.

As a result the municipality is unable to improve the condition of the disposal sites. The municipality is in a process of establishing two new landfill sites at Hotazel and Glenred, the reason for two landfills is due to the vastness of the area and lack of infrastructure.

For the landfill site in Vanzylsrus, the municipality intends to apply for license transfer and to improve the condition of the site. The municipality together with Department of Environmental Affairs has one project through EPWP on waste management based at Vanzylsrus

Solid Waste Service Delivery Levels						Households
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Actual No.		
<b><u>Solid Waste Removal:</u></b> (Below minimum level)						
Removed less frequently than once a week	-	-	-			
Using communal refuse dump	0	0	0		0	
Using own refuse dump	19 146	19146	19146		19146	
Other rubbish disposal	502	952	938		720	
No rubbish disposal	2707	2707	2707		2 707	
<i>Below Minimum Service Level sub-total</i>	23 434	23434	23434		23434	
<i>Below Minimum Service Level percentage</i>	49,1%	52,9%	48,5%		55,2%	
<b>Total number of households</b>	<b>23 434</b>	<b>699</b>	<b>5 523</b>		<b>4 991</b>	
					<b>T 3.4.2</b>	

Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						

Promote safe and clean environment	4 quarterly reports on 1144 households provided with refuse removal by June 2016	Four quarterly reports on 1144 households provided with refuse removal by June 2015		4 quarterly reports on 1144 households provided with refuse removal were developed by June 2015	4 quarterly reports on 1144 households provided with refuse removal by June 2016	4 quarterly reports on 1144 households provided with refuse removal were developed by June 2016
Promote safe and clean environment	1 refuse removal schedule by June 2016	1 refuse removal schedule was developed	1 refuse removal schedule was developed by June 2015	1 refuse removal schedule was developed by June 2015	1 refuse removal schedule by June 2016	1 refuse removal schedule was developed by June 2016

	by June 2015		
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'For the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction management arrangement by municipalities in which IDPs play a key role.</i></p>			

Employees: Solid Waste Management Services					
Job Level	Year -1		Year 0		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	0	0	100%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	0	0	100%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					
T3.4.5					

Employees: Waste Disposal and Other Services						
Job Level	Year -1	Year 0				
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0 - 3	6	6	6	0	0%	
4 - 6	0	0	0	0	0%	
7 - 9	0	0	0	0	0%	
10 - 12	0	0	0	0	0%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	2	2	2	4	100%	
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.						
T3.4.6						

### 3.5 HOUSING

Service objective	Outline service target	Year 0		Year 1		Year 2		Year 3	
		Target		target		Actual		Target	
		Previous year (iii)	Actual (iv)	Previous year (v)	Current year (vi)	Actual (vii)	Current year (ix)	Following year (x)	
(i)	(ii)								

Service objective									
Provision for housing for Low Cost households	4 quarterly reports on 100 low cost houses constructed by June 2016	200 houses build by June 2015	31 Low Cost Houses were completed by June 2015	31 Low Cost Houses completed by June 2015	4 quarterly reports on 100 low cost houses constructed by June 2016	4 quarterly reports on 100 low cost houses constructed by June 2016	4 quarterly reports on 100 low cost houses constructed by June 2017	4 quarterly reports on 100 low cost houses constructed by June 2018	4 quarterly reports on 100 low cost houses constructed by June 2019
<p>Note: this statement should include no more than the top four priority service objectives. The indicators and targets specified the above (columns(i) and (ii) must be incorporated in the indicator set for each municipality to which they apply. These are universal municipal indicators' * 'previous year' refers to the targets that were set in the year -1 budget/IDP round, *current Year' refers to the target set in the year 0 budget/IDP round *following year refers to the targets set in the year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision MSA 2000 chapter 5 sets out the purpose and character of integrated Development Plan (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play key role</p> <p>T 3.5.3</p>									

Employees: Housing Services				
Job Level	Year -1		Year 0	
	Employees	Posts	Employees	Vacancies (as a % of total posts)
	No.	No.	No.	%
0-3	0	0	0	0



4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	2	2	2	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	2	2	0	0	0

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

**T 3.5.4**

## 1.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic Services To Low Income Households										
		Number of households								
		Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
Total	Access	%	Access	%	Access	%	Access	%		
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
7 3.6.3										

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	Year -1		Year 0			
	Actual		Budget	Adjustment Budget	Actual	Variance to Budget
Water		200	244	250	248	2%
Waste Water (Sanitation)		220	240	250	245	2%
Electricity		100	120	130	135	11%
Waste Management (Solid Waste)		105	110	120	125	12%
Total		625	714	750	753	5%
						7 3.6.4

### 3.7 ROADS

#### INTRODUCTION TO ROADS

Joe Morolong Local Municipality is a rural municipality in nature with an area of 20 172 km<sup>2</sup>, as it would be expected our road infrastructure is of the undesirable nature whereby an estimated 95% of our roads are gravel roads with a combination of access and internal roads. Two graders are used to to the grading of the gravel roads in 15 wards.

Demands for the upgrading of Roads and Storm water infrastructure are documented and prioritised in our IDP. After adoption of the IDP by Council and confirmation of the budget allocation as per DORA, the SDBIP is finalised. The PMU act on this by using the SDBIP as the basis (input) to the Three year Implementation Plan.

During the 2015-16 Financial Year, construction of 3.5 kilometres of internal and access tar road projects were embarked on. Another 5 kilometers were embarked on. But will be completed in the 2016-17 Financial Year.

The nature of these projects were to upgrade gravel roads to tar. The upgrading of 3 bridges in the area was also implemented.

Summary of operation and maintenance report for roads.

Total planned wards to be graded = 15

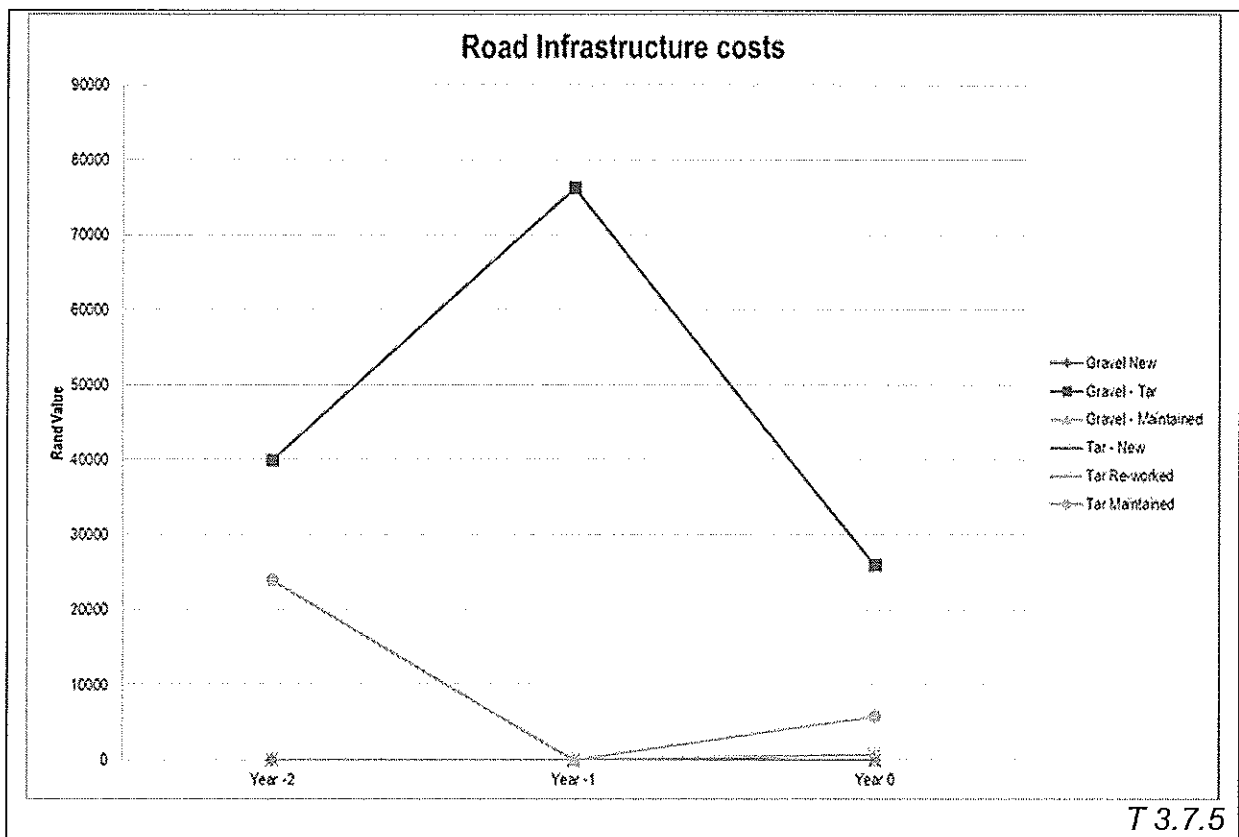
Total wards graded = 15

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	456	0	4	0
Year -1	442	0	14	0
Year 0	433	0	9	150
				T 3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	43	4	0	0	0
Year -1	47	14	0	2	2
Year 0	56	8.5	0	0	0
					T 3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	0	40050		0	0	24000
Year -1	0	76286	0	0	0	0
Year 0	0	26000	0	0	700	5800
						T 3.7.4

						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	0	76 286	0	0	0	0
Year -1	0	26 000	0	0	700	5 800
Year 0	0	1 250		0	0	



Road Service Policy Objectives Taken From IDP															
Service Objectives		Outline Service Targets				Year 0				Year 1		Year 2		Year 3	
Service Indicators (i)		(ii)		Year -1		Year 0		Year 1		Year 2		Year 3			
				Target (iii)	Actual (iv)	Target (v)	Actual (vi)	Target (vii)	Actual (viii)	Target (ix)	Actual (x)				
Service Objective xxx															
Elimination of gravel roads in townships		Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)
Development of municipal roads as required		xxx kms of m municipal roads developed	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms
Provide Roads		km access road upgraded	6.5 14 (442)			14	4,5 8.5 (433)		9		12				
		km internal road upgraded	8.1	8	0	8	0	0	0		4				
		km of internal roads maintained in all 15 wards	150	0	0	0	150	150	2000		2000				2
		practical completion certificates on bridges upgraded	4	3	3	3	3	3	0		2				
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round. "Current Year" refers to the targets set in the Year 0 Budget/IDP round. "Following Year" refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for municipalities in which IDPs play a key role.															

Capital Expenditure Year 0: Road Services						R' 000
Capital Projects	Year 0			Variance from original budget	Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure			
Total All	29137	29137	25679	-13%		
Gravel to Tar in Ganghaai Village	11 400	11 400	11 397	0%	11 500	
Gravel to Tar in Makhubung Village	4000	4000	2 533	-58%	3 000	
Gravel to Tar in Churchill Village	3000	3000	1 185	-153%	1 200	
Construction of Culvert Bridge in Dithakong Village	4 000	4 000	4 210	5%	4 500	
Construction of Culvert Bridge in Molapollasi Village	3183	3183	2 957	-8%	3 000	
Construction of Culvert Bridge in Segwaneng Village	3 554	3 554	3 397	-5%	3 500	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					7 379	

Service objective	Outline service target	Year 0		Year 1		Year 2		Year3		
		Target	Actual	target		Actual	Target			
		Previous year (iii)	(iv)	Previous year (v)	Current year (vi)	(vii)	(viii)	Current year (ix)	Following year (x)	
(i)	(ii)									
Service objective										
Upgrading and Maintenance of access and internal roads and bridges	No of internal roads upgraded	9.1 km internal roads to be upgraded	2.0 km internal roads upgraded	2.0 km internal roads to be upgraded	N/A	N/A	4 internal roads to be upgraded	3 internal roads to be upgraded	3 internal roads to be upgraded	
	No of access roads upgraded	6.5 km access roads to be upgraded	10.0 km access roads upgraded	10.0 km access roads to be upgraded	4.5 km access roads to be upgraded	3.5 km access roads upgraded	N/A	4.0 km access roads to be upgraded	5.5 km access roads to be upgraded	
	Number of bridges upgraded	4 bridges to be upgraded	2 bridge upgraded	2 bridges to be upgraded	3 bridges to be upgraded	3 bridge upgraded	N/A	3 bridges to be upgraded	3 bridges to be upgraded	
	Number of internal roads maintained	150 km of internal roads to be maintained	150 km of internal roads maintained	150 km of internal roads to be maintained	150 km of internal roads to be maintained	150 km of internal roads maintained	2000 km of internal roads to be maintained	2000 km of internal roads to be maintained	2200 km of internal roads to be maintained	

**COMMENT ON THE PERFORMANCE OF ROADS OVERALL:**

The municipality engaged in projects relating to upgrading of more than 3.5km of internal and access roads during the reporting period. Being a rural municipality, most of the road surfaces are good quality gravel. The municipality does not have a separate storm water section. This function is incorporated into the PMU structure. When looking at the graph above, the drop in the expenditure in the 2014-15 financial year is contributed to the fact that two projects could not be completed due to national scarcity of good quality bitumen. The expenditure on roads constructed during the reporting period already escalated during the writing of this report as a result of projects completed.

Maintenance of internal and access roads (Gravel)

**1<sup>st</sup> Quarter grader report**

Planned wards	5
Actual wards maintained	0
Reason for variation	Grader breakdown

**2<sup>nd</sup> Quarter grader report**

Planned wards	4
Actual wards maintained	3
Reason for variation	Grader breakdown

**3<sup>rd</sup> Quarter grader report**

Planned wards	2
Actual wards maintained	3
Reason for variation	No breakdowns, grader service

**4<sup>th</sup> Quarter grader report**



Planned wards	12
Actual wards maintained	7
Reason for variation	Grader breakdowns

The municipality engaged in projects relating to upgrading of more than 15km of internal and access roads during the reporting period. Being a rural municipality, most of the road surfaces are a good quality gravel. The municipality does not have a separate storm water section. This function is incorporated into the PMU structure. When looking at the graph above, the drop in the expenditure in the 2014-15 Financial Year is mainly contributed to the fact that two projects could not be completed due to national scarcity of good quality bitumen. The expenditure on roads constructed during the reporting period already escalated during the writing of this report as a result of projects have been completed.

### **3.9 WASTE WATER (STORMWATER DRAINAGE)**

#### **INTRODUCTION TO STORMWATER DRAINAGE**

Storm water drainage forms part of the overall PMU structure and will therefore not be discussed separately. However, please note that 3 Storm water bridges were constructed during the reporting period.

Proper storm water drainage is catered for by specific designs on all our road construction projects.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.10 PLANNING**

The Municipal System Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which

must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP.

Annually the Municipality must base their performance against performance measure as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document. Priorities identified in the year under review were water, sanitation and roads. All of these priorities are implemented through MIG and the budget was spent 100%.

Applications for Land Use						
Development Details	Formalization of Townships		Rezoning		Built Environment	
	Year-1	year 0	year -1	year 0	year -1	year 0
Planning applications received	0	0	0	3	0	13
Determination made in year of receipt	0	0	0	3	0	13
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0		0	0	0

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year-1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Previous Year (iii)	(iv)	Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	Current Year (ix)	Following Year (x)
Service Objectives xxx									
Determine Planning application within a reasonable timescale	Approval or rejection of all build environment application within a x weeks	Determination within x weeks	Determination within x weeks	None	Considered within 90 days	Determination within 11 weeks	Determination within 8 weeks	Determination within 8 weeks	
	Reduction in planning decision overturned	x planning decisions overturned	x planning decisions overturned	5% Planning decision overturned	5% Planning decision overturned	4% Planning decision overturned	No Planning decision overturned	No Planning decision overturned	
Rezoning of Adams Farm no. 328-	To Assess the application within			Approved within 90 days	Approved within 90 days	Approved within 90 days			



	n within 90 days									
Subdivis ion of Skoolpla as Farm no 31, Vanzylru s	To Assess the applicatio n within 90 days			Approv ed within 90 days	Approve d within 90 days	Approv ed within 90 days				
Applicati on for consent use on farm 321	To Assess the applicatio n within 90 days			Approve d within 90 days	Approve d within 90 days	Approve d within 90 days				

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents)	Vacancies (as % of total posts)
0 – 3	0051	1	0051	0	0
13 – 15	Vacant	T15	03373	0	0
13 - 15	0271	T15	0271	0	0
10 - 13	0102	T10	0102	0	0

**COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:**

Municipality is embarking in a three year programme on water, roads and sanitation. All these projects are implemented through MIG and MWIG

**3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)**

**INTRODUCTION TO ECONOMIC DEVELOPMENT**

Local Economic Development (LED) is one of the Key Performance Areas in JMLM. In JMLM the issue of LED is treated as an integral part and the Community Services department coordinates related issues within the municipality, sector departments and business sector within JMLM. The Economic Development strategy was developed in the F/Y 2012/14.

Economic Activity by Sector			
	R '000		
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	2	1,5	1,5
Mining and quarrying	7	7	7
Manufacturing	58	63	63
Wholesale and retail trade	51	52	52
Finance, property, etc.	48	52	52
Govt, community and social services	25	25	25
Infrastructure services	38	41	41
Total	226,5	236,5	236,5

Economic Employment by Sector			
	Jobs		
Sector	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing	25 000	30 000	30 000
Mining and quarrying	435 000	372 000	372 000
Manufacturing	300 000	270 000	270 000

Wholesale and retail trade	2000 000	210 000	210 000
Finance, property, etc.	255 000	235 000	235 000
Govt, community and social services	310 000	320 000	320 000
Infrastructure services	430 000	450 000	450 000
Total	1955000	1887000	1887000

<b>Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)</b>				
<b>Total Jobs created / Top 3 initiatives</b>	<b>Jobs created</b>	<b>Jobs lost/displaced by other initiatives</b>	<b>Net total jobs created in year</b>	<b>Method of validating jobs created/lost</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	
Total (all initiatives)				
Year -2				
Year -1				
Year 0				
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				

*N.B. All municipal projects are implemented through EPWP*

<b>Job creation through EPWP* projects</b>		
<b>Details</b>	<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>
	<b>No.</b>	<b>No.</b>
Year -2	50	2 900
Year -1	66	4 500
Year 0		
* - Extended Public Works Programme		

Local Economic Development Policy Objectives Taken From IDP									
Service objective	Outline service target	Year 0 2015/16			Year 1 2016/17			Year 2 2017/18	Year3 2018/2019
		Target	Actual	target	Actual	Target			
		Previous year (iii) 2014/15	(iv) 2014/15	Previous year (v) 2015/16 Baseline 2015/16	Current year (vi) 2015/16	(vii) 2015/16	(viii)	Current year (ix)	Followin g year (x)
(i)	(ii)								
Service objective									
Promote economic developm ent and tourism	3  								



	2016	s by June 2015	s were developed by June 2015	s were developed by June 2015	s by June 2016	s were developed by June 2016	s by June 2017	s by June 2018	s by June 2019
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<b>Employees: Local Economic Development Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	0	0	0	0	0%
4 - 6					0%
7 - 9	4	4	4		
10 - 12					
13 - 15				1	
16 - 18					
19 - 20					
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	

#### **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

#### **3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)**

##### **INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES**

JMLM entered into MOA with Department of Sport, Arts and Culture for the operation of community libraries situated at Vanzylsrus, Cassel and Logaganeng. DSAC is currently constructing two new community libraries at Logaganeng, Churchill and renovating the one in Cassel. The municipality assist the local communities in ensuring that the 23 community halls and three sports facilities in their respective areas are maintained. The municipality has constructed two community halls at Ditshipeng and Padstow.

Libraries, Archives, Museums, Galleries, Community facilities, other Policy Objectives Taken From IDP									
Service objective	Outline service target	Year 0			Year 1			Year 2	Year 3
		Target		Actual	target		Actual	Target	
		Previous year (iii)		(iv)	Previous year (v)	Current year (vi)	(vii)	Current year (ix)	Following year (x)
(i)	(ii)								
Service objective									
Promote Sports, Arts and Culture	To provide reports on library services, business plan developed for the requisition of funds for library and Memorandum of Understanding to Council and Department of Sports, Arts and Culture	4 quarterly reports on library services, 1 business plan and 1 Memorandum of Understanding to Council and Department of Sports, Arts and Culture by June 2015	4 quarterly reports on library services, 1 business plan and 1 Memorandum of Understanding to Council and Department of Sports, Arts and Culture developed and	To ensure monitoring of community libraries	4 quarterly reports on library services, 1 business plan and 1 Memorandum of Understanding to Council and Department of Sports, Arts and Culture by June 2016	Two community libraries were monitored			4 quarterly reports on library services, 1 business plan and 1 Memorandum of Understanding to Council and Department of Sports, Arts and Culture by June 2017

<b>Provide recreational facilities</b>	To hold campaigns for the usage of recreational facilities, consumer education for housing and environmental awareness	4 campaigns held for the usage of recreational facilities, consumer education for housing and environmental awareness by June 2015	4 campaigns for the usage of recreational facilities, consumer education for housing and environmental awareness were held	4 campaigns held for the usage of recreational facilities, consumer education for housing and environmental awareness by June 2016			
--	--	--	--	--	--	--	--

<b>Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	3	3	3	0	0%
4 - 6	2	2	2	1	33%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	1	33%

### 3.13 CEMETORIES AND CREMATORIUMS

#### INTRODUCTION TO CEMETORIES & CREMATORIUMS

JMLM is constructing cemeteries through EPWP incentive grant, due to high backlog of cemeteries in the area, the municipality has priorities to construct cemeteries in 15 villages per financial year. Since majority of the areas are situated in communal land and the cemeteries are managed in a tribal procedures.

Cemeteries and Crematorium Policy Objectives Taken From IDP									
Service objective	Outline service target	Year 0		Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Previous year (iii)	(iv)	Previous year (v)	Current year (vi)	(vii)	Current year (ix)	Following year (x)	
(i)	(ii)								
Service objective									
<b>Promote safe and clean environment</b>	To upgrade cemeteries	To upgrade cemeteries in 14 villages by June 2014	14 cemeteries were upgraded	To upgrade cemeteries in 14 villages by June 2014	To upgrade cemeteries in 15 villages by June 2015	15 cemeteries were upgraded	To upgrade cemeteries in 15 villages by June 2015	Three reports on 16 cemeteries upgraded by June 2016	

Employees: cemeteries and crematoriums					
Job Level	Year-1		Year 0		
	Employees No:	Posts No:	Employees No:	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	1	1	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0

19-20	0	0	0	0	0	0
Total	0	0	0	0	0	0

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### 3.21 FIRE

Fire Services Policy Objectives Taken From IDP									
Service objective	Outline service target	Year -1		Year 0			Year 2		Year 3
		Target	Actual	Target	Previous year (v)	Current year (vi)	Target	Actual	
		Previous year (iii)	(iv)		(v)	(vi)	(viii)	(vii)	
(i)	(ii)								
Service objective									
<b>Promote safe and clean environment</b>	Attending and reporting veld fire	To effectively manage disasters and the prevention thereof on an agency basis throughout the 2012/13 financial year; as measured in terms of the	No veld fires were reported in the 2014/15 FY	No veld fires were reported in the 2014/15 FY	4 reports on coordination of working on fire (WOF)	4 reports on coordination of working on fire (WOF) were developed	4 reports on coordination of working on fire (WOF)	4 reports on coordination of working on fire (WOF)	4 reports on coordination of working on fire (WOF)

[illegible]



Service objective	Outline service target (ii)	Year-1		Year 0		Year 2		Year 3	
		Target	Actual	target		Actual	Target		
		Previous year (iii)	(iv)	Previous year (v)	Current year (vi)	(vii)	(viii)	Current year (ix)	Following year (x)
Service objective to promote sports, Arts and Culture	To construct 3 community halls	Finalization of the Ditshipeng and Padstow Community Halls by June 2015	The construction of Ditshipeng and Padstow completed	The construction of Ditshipeng and Padstow completed	1 practical completion report on the community hall constructed at Bothethelets a was developed by December 2015	1 practical completion report on the community hall constructed at Bothethelets a was developed by December 2015	To construct one community hall by June 2017	To construct one community hall by June 2018	To construct one community hall by June 2018
	To provide a report on recreational facilities maintained	Maintenance and management of municipal recreational facilities	4 Sports field and 19 Community halls were maintained.	Maintenance and management of municipal recreational facilities	12 reports on recreational facilities maintained	12 reports of recreational facilities maintained were submitted	12 reports on recreational facilities maintained by June 2016	12 reports on recreational facilities maintained by June 2017	12 reports on recreational facilities maintained by June 2018

Employees: Sport and Recreation						
Job Level	Year - 1		Year 0			
	Empl yees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0 - 3	4	4	4	2	25%	
4 - 6	0	0	0	0	0%	
7 - 9	0	0	0	0	0%	
10 - 12	0	0	7	0	0%	
13 - 15	0	0	9	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	4	4	4	2	0%	

#### COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

##### 3.23 SPORT AND RECREATION

- Two community halls were completed at Ditshipeng and Padstow.
- Four campaigns for the usage of recreational facilities were held.
- Twelve reports on recreational facilities maintained were development.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.24 EXECUTIVE AND COUNCIL

The Mayor head municipality and fulfils this task by working together with the councilors. The Mayoral committee is functional and it ensures that there is integration of the work of Council between portfolio committee and respective departments. The Municipal Council comprises of the governing and decision making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality by setting the course through the development of IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented. The accounting officer, municipal manager is responsible for the administration of the municipality.

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Employees: Executive and Council						
Job level	2014/15	Posts	Employees no.	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)	
	Employee no.					
0-3						
4-6						
7-9	4	4	4	0		
10-12						
13-15						
16-18						
19-20						

### 3.25 FINANCIAL SERVICES

Debt Recovery								R' 000
Details of the types of account raised and recovered	Year - 1		Year 0			Year 1		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Property Rates								
Electricity - B								
Electricity - C								
Water - B								
Water - C								
Sanitation								
Refuse								
Other								
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.								T 3.25.2

Concerning T 3.25.2

**Delete Directive note once table is completed** – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T 3.25.2.1

[illegible]

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T 3.25.4

Financial Performance Year 0: Financial Services						
Details	Year -1		Year 0			R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125		100	95	-32%
Expenditure:						
Employees	125	244		250	248	2%
Repairs and Maintenance	25	244		250	248	2%
Other	45	244		250	248	2%
Total Operational Expenditure	195	732		750	744	2%
Net Operational Expenditure	75	607		650	649	6%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.25.5

Capital Expenditure Year 0: Financial Services						R' 000
Capital Projects	Year 0					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.25.6	

### 3.26 HUMAN RESOURCE SERVICES

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T 3.26.2

Employees: Human Resource Services					
Job level	2014/15	Posts	Employees no.	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	Employee no.				
0-3					
4-6	2	2	2	0	
7-9	1	1	1	0	
10-12	2	2	2	0	
13-15	1	1	1	0	



Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target	Actual		Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Promote Good Governance	Workshop on Policies and Code of Conduct	Review of Human Resources Policies	Achieved	Review of Human Resources Policies	4 Workshop on Policies and Code of conduct	Achieved	4 Workshop on Policies and Code of conduct	4 Workshop on Policies and Code of conduct	4 Workshop on Policies and Code of conduct
	Departmental Meetings held	12 Departmental Meetings held	Achieved	12 Departmental Meetings held	12 Departmental Meetings held	12 Departmental Meetings held	12 Departmental Meetings held	12 Departmental Meetings held	12 Departmental Meetings held
	Developed and Updated quarterly council resolution Register	Developed and Updated quarterly council resolution register	Achieved	Developed and Updated quarterly council resolution register	Developed and Updated quarterly council resolution register	Achieved	Developed and Updated quarterly council resolution register	Developed and Updated quarterly council resolution register	Developed and Updated quarterly council resolution register



								Register	Register	
	Regulated council committee meetings	Adherence to both portfolio committee and council meeting	Achieved	Adherence to schedule of Council Agenda Items	Regulated Council Committee Meetings	Achieved	Regulated Council Committee Meetings	Register	Regulated Council Committee Meetings	Regulated Council Committee Meetings
<b>Deliver Collaborative Solutions</b>	General Staff Meetings	4 General Staff Meetings	Achieved	4 General staff Meetings	4 General staff meetings	Achieved	4 General Staff Meetings	4 General Staff Meetings	4 General Staff meetings	4 General Staff meetings
	Local Labour Forum meetings	12 Local Labour Forum meetings	Not achieved	Local Labour Forum functionality	12 Local Labour Forum Meetings	Not achieved	12 Local Labour Forum Meetings	12 Local Labour Forum Meetings	12 Local Labour forum Meetings	12 Local Labour forum Meetings
	Review of employment equity plan	Review of Employment Equity Plan	Achieved	Review of Employment Equity Plan	Review of Employment Equity Plan	Achieved	Review of Employment Equity Plan	Review of Employment Equity Plan	Review of Employment Equity Plan	Review of Employment Equity Plan
<b>Achieve Employment Equity</b>	Quarterly reports on the reviewed Employment equity Plan submitted	Quarterly Reports on the reviewed Employment Equity Plan submitted to Council	Achieved	Quarterly Reports on the reviewed Employment Equity Plan submitted	Quarterly Reports on the reviewed Employment Equity Plan submitted	Achieved	Quarterly Reports on the reviewed Employment Equity Plan submitted	Quarterly Reports on the reviewed Employment Equity Plan submitted	Quarterly Reports on the reviewed Employment Equity Plan submitted	Quarterly Reports on the reviewed Employment Equity Plan submitted

	to Council			to Council		to Council		to Council	
	Job descriptions for New Positions completed	Job descriptions for New Positions completed	Achieved	Job descriptions for New Positions completed	Achieved	Job descriptions for New Positions completed	Achieved	Job descriptions for New Positions completed	
Achieve Positive employee climate	Develop and submit WSP to council ,LGSETA and COGHST A by June	Skills Development Plan submitted	Achieved	Skills Development Plan submitted	Achieved	Develop and submit WSP to Council, LGSETA and COGHST A by June	Achieved	Develop and submit WSP to Council, LGSETA and COGHST A by June	
	Reduced budgeted Vacancy Rate	Review of Organisational Structure	Achieved	Review of Organisational Structure	Achieved	Reduced budgeted Vacancy Rate	Achieved	Reduced budgeted Vacancy Rate	

1. Human Resource unit deals with the following issues: Labour relation, Health and Safety, Skills Development, Leave days, Employees Files, Medical aids and deduction from Employees' salaries

Employees: Human Resource Services						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3						
4 - 6	2	2	2	0		
7 - 9	1	1	1	0		
10 - 12	2	2	2	0		
13 - 15	1	1	1	0		
16 - 18						
19 - 20						
Total	6	6	6	0		

### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology in all its forms have become essential to manage the transactions, information and knowledge necessary to ensure that citizen demand for services delivery and administrative and operational efficiencies are meet. It is so pervasive that it is essential for Joe Morolong Local Municipality to ensure that the function delivers its intended benefits that risks are managed and that its resources are managed efficiently.

#### SERVICE STATISTICS FOR ICT SERVICES

Employees: Executive and Council					
Job level	2011/12	Posts	Employees no.	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	Employee no.				
0-3					
4-6	1		1	0	
7-9					
10-12	1		1	0	
13-15	1		1	0	
16-18					
19-20					
Total					

ICT Services Policy Objectives Taken From IDP										
Service Objectives		Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
			*Previous Year (iii)	(iv)	*Previous Year (v)	Actual	*Current Year (vi)	Actual	*Current Year (viii)	Actual
Service Indicators (i)	(ii)									
Service Objective xxx										
Improve ICT EFFECIENCY	Develop and publish draft ICT strategy	Development of IT policies	Achieved	Development of IT Policies	Development and Publish draft ICT Strategy	Achieved ICT strategy developed and published by June 2016				

## **COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

Assessment for the year under review was not done.

## **CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)**

### **COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL**

#### **CHAPTER 4**

#### **ORGANISATIONAL DEVELOPMENT PERFORMANCE**

Council has adopted a number of policies to ensure that the work of this municipality is conducted within the prescripts of the law.

The Department of Corporate Services provides administrative support services to the entire municipality by ensuring efficient committee management, Council meetings and a human resource function to the administrative staff and leads in areas of good governance.

Corporate Services is responsible for the effective and efficient execution of all the supporting administrative functions that include support needed to attract, retain and develop talent in the municipality, the coordination of systems and processes, to enable the municipality to perform matters of service delivery.

The Corporate Services administers the Municipality's human resource development and management, political offices, labour relations, information technology and facilities management.

#### **Staff establishment**

There are 201 employees in the Municipality. The total number of posts as per the approved structure is 220, 19 is the number of vacant positions.

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	2015/16			
	Approved posts No.	Employees No.	Vacancies No.	Vacancies %
Office of the Municipal Manger	14	12	2	0%
Financial Services	41	40	1	0%
Corporate Services	31	30	1	1%
Technical Services	83	74	9	0%
Community Services	47	41	6	0%
Planning and Development	4	4	0	0%

**VACANCY RATE** (departments must indicate vacancies that are funded and exist during 2015/16 and we will do a narrative report underneath if the posts were filled)

Vacancy rate 2015/16			
Designations	Total Approved posts (No.)	Vacancies (total time that vacancies exist using fulltime equivalents) No.	Vacancies (as a proportion of total posts in each category) %
Director: Technical Services	0	0	
Director: Planning and Development	0	0	
Director: Community Services	0	0	
Director: Corporate Services	0	0	
Chief Financial officer	0	0	
Municipal Manager	0	0	

Turn-over rate
----------------



Details	Total appointments as of beginning of financial year. (No.)	Terminations during the financial year. (No.)	Turnover rate*
2015/16	37	4	
*Divide the number of employees who have left the organization within year, by total number of employees who occupied posts at the beginning of the year			

## MANAGING THE MUNICIPAL WORKFORCE

The Corporate Services administers the Municipality's human resource development and management, political offices, labour relations, Information technology and facilities management.

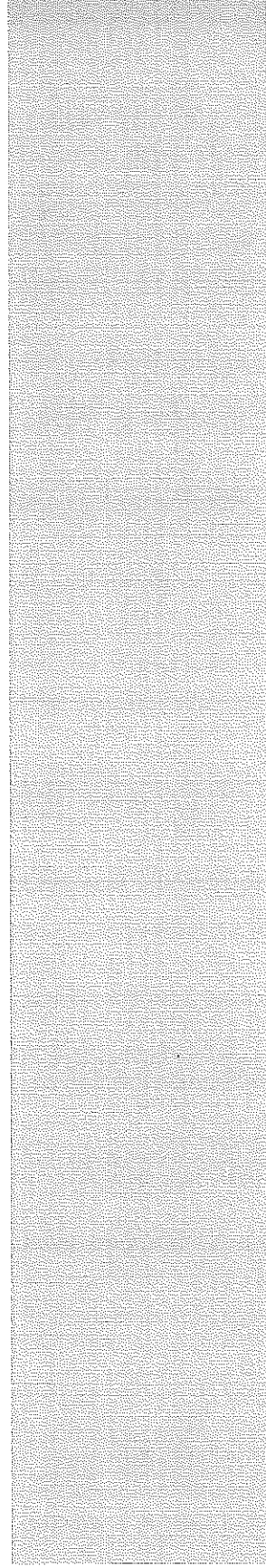
Expenditure for employees in 2015/16

Did we overspend or not (if yes why?)

## 4.2 POLICIES

HR policies and plan					
	Name of policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt	
1.	Tariff policy		✓	17/05/2016	
2.	Fruitless and wasteful policy		✓	17/05/2016	
3.	Cash shortage policy		✓	17/05/2016	
4.	Bad debt write off policy		✓	17/05/2016	
5.	Property rates policy		✓	17/05/2016	
6.	Banking and investment policy		✓	17/05/2016	

7.	Budget policy		✓	17/05/2016
8.	Credit control and debt collection policy		✓	17/05/2016
9.	Indigent policy		✓	17/05/2016
10.	Fixed assets policy		✓	17/05/2016
11.	Risk management		✓	17/05/2016
12	Petty Cash		✓	17/05/2016
13	Assets Management		✓	17/05/2016
14.	Supply Chain Management policy		✓	17/05/2016
15.	Records Management Policy	✓		30/10/2015
16.	Fleet Management Policy	✓		13/08/2015
17.	Communication Policy		✓	13/08/2016
18	Health and Safety Policy		✓	07/06/2016



#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost per injuries on Duty						
Type of injury	Injury leave taken	Employees using injury leave (no.)	Proportion employees using sick leave %	Average injury leave per employee	Total estimated cost R'000	
Required basic medical attention only	39		yes	1	R0	
Temporary total disablement						
Fatal						
Total						

There was one injury on duty in the year under review and there were two suspensions.

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*	*Average sick leave per employee	Estimated cost R'000

Lower skilled (levels 1 – 2)	80	1%	9	61		
Skilled (levels 3 – 5)	80	30%	5	5		
High skilled production (levels 6 – 8)	80	9%	22	110		
Senior management	80	4%	11	15		
MM and section 57	30	0%	4	6		
Total						
*Number of employees at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

MANAGING THE WORKFORCE EXPENDITURE		
Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Low skilled (levels 1-2)	F	

	M	
Skilled (levels 3-5)	F	
	M	
High skilled production (levels 6 – 8)	F	
	M	
Highly skilled supervision (levels 9-12)	F	
	M	
Senior management (levels 13-16)	F	
	M	
MM and SS 57	F	
	M	

None

Employees whose salary levels exceeded the grade determined by job evaluation			
Occupation	Number of employees	Job evaluation level	Remuneration level

None

Employees appointed to posts not approved			
Department	Level	Date of appointment	No. appointed
None			
			Reason for appointment when not established post exist

CHAPTER 5: FINANCIAL PERFORMANCE

<p><b>INTRODUCTION</b></p> <p>Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:</p> <ul style="list-style-type: none"> <li>• Component A: Statement of Financial Performance</li> <li>• Component B: Spending Against Capital Budget</li> <li>• Component C: Other Financial Matters</li> </ul> <p>The financial position of the municipality improved as compared to the past financial year. Despite challenges of low or not having a revenue base, we maintained a positive cash flow and managed the cash flow management to meet its obligations.</p> <p>The financial position indicates that the municipality can still be able to settle its debt timeously as set out by the legislation.</p> <p>Notwithstanding the negative impact on revenue streams and ability to spend according to service delivery and budget implementation plan, the municipality manages to maintain focus on key service delivery areas. Focus has been on infrastructure projects and repair and maintenance</p> <p>T 5.0.1</p>
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## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

The municipality managed to increase its collection on the service charges and property rates form the budgeted amount of R15m and R6m (2013/14) to R20m and R10m. This was due to the new valuation roll which was developed and implemented in the financial year.

The implementation of infrastructure and other related projects in the current financial year is positive as most of the projects have been completed timeously with the exception of a few projects to be completed early in the new financial year.

The completion of other water projects in other villages also increased the water service charges as the municipality started to sell water.

*T 5.1.0*

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary																T 5.1.1	
R thousands	Description	Year 0										Year -1					
		Original Budget	Budget Adjustments (to s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (to s31 of the MFMA)	Virement (to Comp applied policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Residual Audited Outcomes	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Financial Performance																
	Property rates	9 661		9 661				9 661									
	Service charges	16 093		16 093				16 093									
	Investment revenue	-		-				-									
	Transfers recognised - operational	111 580		111 580				111 580									
	Other own revenue	839		839				839									
	Total Revenue (excluding capital transfers and contributions)	138 163		138 163													
	Employee costs	45 227		45 227				45 227									
	Remuneration of councillors	8 226		8 226				8 226									
	Debt impairment	-		-				-									
	Depreciation & asset impairment	9 826		9 826				9 826									
	Finance charges	884		884				884									
	Materials and bulk purchases	11 169		11 169				11 169									
	Transfers and grants	2 021		2 021				2 021									
	Other expenditure	31 921		31 921				31 921									
	Total Expenditure	109 273		109 273				109 273									
	Surplus/(Deficit)	28 890		28 890				28 890									
	Transfers recognised - capital	104 205		104 205				104 205									
	Contributions recognised - capital & contributed assets	-		-				-									
		133 095		133 095				133 095									
	Surplus/(Deficit) after capital transfers & contributions																
	Share of surplus/ (deficit) of associate	-		-				-									
	Surplus/(Deficit) for the year	133 095		133 095				133 095									
	Capital expenditure & funds sources																
	Capital expenditure																
	Transfers recognised - capital	104 205		104 205				104 205									
	Public contributions & donations	-		-				-									
	Borrowing	-		-				-									
	Internally generated funds	28 890		28 890				28 890									
	Total sources of capital funds	133 095		133 095				133 095									
	Cash flows																
	Net cash from (used) operating	136 892		136 892				136 892									
	Net cash from (used) investing	(133 073)		(133 073)				(133 073)									
	Net cash from (used) financing	(784)		(784)				(784)									
	Cash/cash equivalents at the year end	6 048		6 048				6 048									



# Chapter 5

Financial Performance of Operational Services							R'000
Description	Year -1	Year 0		Actual	Year 0 Variance		
	Actual	Original Budget	Adjustments Budget		Original Budget	Adjustment s Budget	
Operating Cost							
Water	40 903	35 061			#DIV/0!	#DIV/0!	
Waste Water (Sanitation)					#DIV/0!	#DIV/0!	
Electricity	5 924	6 688			#DIV/0!	#DIV/0!	
Waste Management					#DIV/0!	#DIV/0!	
Housing	9 366				#DIV/0!	#DIV/0!	
Component A: sub-total	56 193	41 749	-	-	#DIV/0!	#DIV/0!	
Waste Water (Stormwater Drainage)					#DIV/0!	#DIV/0!	
Roads					#DIV/0!	#DIV/0!	
Transport					#DIV/0!	#DIV/0!	
Component B: sub-total	-	-	-	-	#DIV/0!	#DIV/0!	
Planning					#DIV/0!	#DIV/0!	
Local Economic Development	1 994	2 178	3 915	2 635	17,33%	-48,59%	
Component B: sub-total	1 994	2 178	3 915	2 635	17,33%	-48,59%	
Planning (Strategic & Regulatory)					#DIV/0!	#DIV/0!	
Local Economic Development					#DIV/0!	#DIV/0!	
Component C: sub-total	-	-	-	-	#DIV/0!	#DIV/0!	
Community & Social Services	20 326	10 528			#DIV/0!	#DIV/0!	
Environmental Protection					#DIV/0!	#DIV/0!	
Health					#DIV/0!	#DIV/0!	
Security and Safety					#DIV/0!	#DIV/0!	
Sport and Recreation					#DIV/0!	#DIV/0!	
Corporate Policy Offices and Other	48 046	54 818			#DIV/0!	#DIV/0!	
Component D: sub-total	68 372	65 346	-	-	#DIV/0!	#DIV/0!	
Total Expenditure	126 559	109 273	3 915	2 635	-4047,15%	-48,59%	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							
T 5.1.2							

# Chapter 5

Grant Performance							R' 000
Description	Year -1		Year 0		Actual	Original Budget (%)	Adjustments Budget (%)
	Actual	Budget	Adjustments Budget				
<b>Operating Transfers and Grants</b>							
National Government:	104 189	258 957	5 000	263 957			
Equitable share	93 255	115 253		115 253	0%	100%	
Municipal Systems Improvement	934	930		930	0%	100%	
Department of Water Affairs	10 000	22 500		22 500	0%	100%	
Levy replacement							
Other transfers/grants [insert description]							
Finance Management	1 600	1 675		1 675	0%	100%	
Municipal Water Infrastructure	50 000	60 000		60 000	0%	100%	
Regional Bulk Infrastructure	5 017				#DIV/0!	#DIV/0!	
Municipal Infrastructure	57 058	58 599	5 000	63 599	8%	92%	
Water Services Operating Subsidy							
<b>Provincial Government:</b>	<b>1 969</b>	<b>3 841</b>	<b>-</b>	<b>3 841</b>	<b>0</b>		
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation		1 505		1 505	0%	1	
Expanded Public Works Programme	1 969	2 336		2 336	0%	1	
Other transfers/grants [insert description]							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
[insert description]							
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
[insert description]							
<b>Total Operating Transfers and Grants</b>	<b>106 158</b>	<b>262 798</b>	<b>5 000</b>	<b>267 798</b>			
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							T 5.2.1
Full list of provincial and national grants available from published gazettes.							

## 5.2 GRANTS

# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS:

Municipality received the whole allocation of the equitable share as per the DoRA. No portion of the grant was reverted to the National Revenue Fund as a result of underspending of the conditional grant. During the 2014/15 financial year, the municipality received the following conditional grants where it ensured that all the conditions for the grants were met.

Municipal Infrastructure Grant, Municipal System Improvement Grant, Finance Management Grant, Water Service Operating Grant and the Municipal Water Infrastructure Grant.

The following income was received from the other sources for the capital projects:

Kumba Iron Ore Mine for the construction of the access roads.

.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
Kumba Iron Ore	8 445	7 067				Construction of access roads to villages
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						T 5.2.3

# Chapter 5

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality receive total grants to value of R 126 638 000.00. This can be categorized as follows:

MIG - R 63 599 000.00  
RBIG - R 9 580 000.0  
WSOG - R 22 500 000.00  
MWIG - R 60 000 000.00

These grants were used to eradicate the backlog on water-, roads- and sanitation infrastructure.  
The municipality managed to spend 100% on these grants.

5.2.4

7

# Chapter 5

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## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

#### OVERVIEW OF ASSET MANAGEMENT

Asset management guides the municipality on the accounting treatment and safeguarding of assets, recognition, measurement, disposal and retirement thereof.

The municipality developed the asset management policy as a guiding tool to comply with relevant legislation and reporting requirement as prescribed by the Accounting Standards and MFMA.

There is an Asset Management section established within the Supply Chain Management Unit to deal with the municipal assets. The unit comprise of the Asset Management Officer and Asset Management Clerk who are being supervised by the SCM Manager. The SCM unit is part of the Budget and Treasury Office and head by the Chief Financial Officer.

The overall asset of the municipality is the responsibility of the Accounting Officer.

T 5.3.1

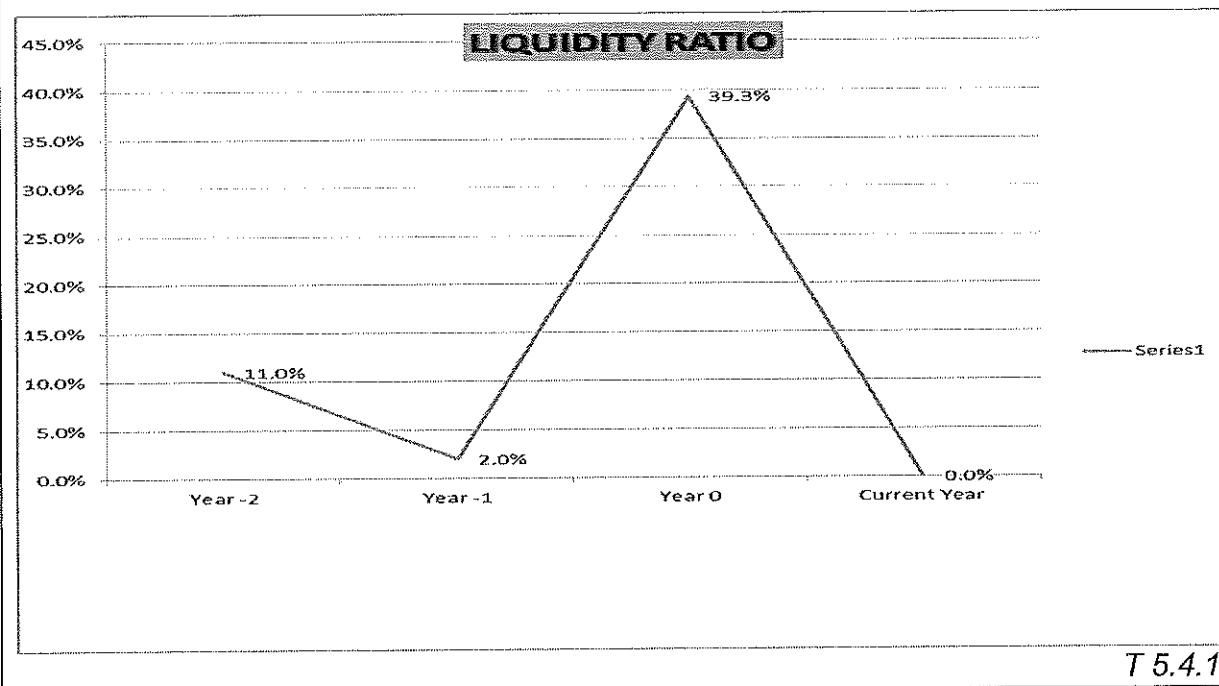
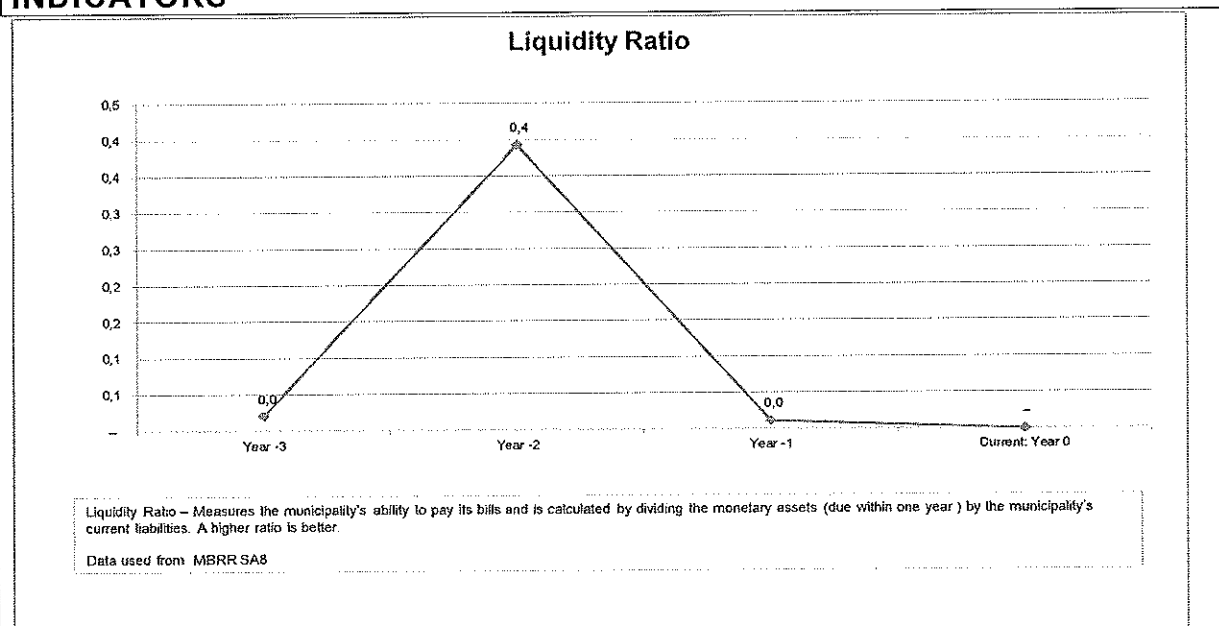
# Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Padstow Community Hall			
Description	Construction of a Community Hall			
Asset Type	Property			
Key Staff Involved	Community services Director	PMU		
Staff Responsibilities	Monitor construction process and reporting			
Asset Value	Year -3	Year -2	Year -1	Year 0
			7 403	3 242
Capital Implications	Asset was financed from own funds			
Future Purpose of Asset	To provide the community with shelter for community meetings and generate revenue.			
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy.			
Asset 2				
Name	Ditshipeng Community Hall			
Description	Construction of a Community Hall			
Asset Type	Property			
Key Staff Involved	Community services D PMU			
Staff Responsibilities	Monitor construction process and reporting			
Asset Value	Year -3	Year -2	Year -1	Year 0
			7 403	3 242
Capital Implications	Asset was financed from own funds			
Future Purpose of Asset	To provide the community with shelter for community meetings and generate revenue.			
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy.			
Asset 3				
Name	Water reticulation network			
Description	Reticulation network			
Asset Type	Water infrastructure			
Key Staff Involved	Technical Director	PMU		
Staff Responsibilities	Monitor construction process and reporting			
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications	Asset financed from the conditional grants( MIG, MWIG)			
Future Purpose of Asset	Provide water to the community			
Describe Key Issues				
Policies in Place to Manage Asset	Asset management policy.			
				T 5.3.2

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	26 558	4 990	31 548	-19%
				T 5.3.4

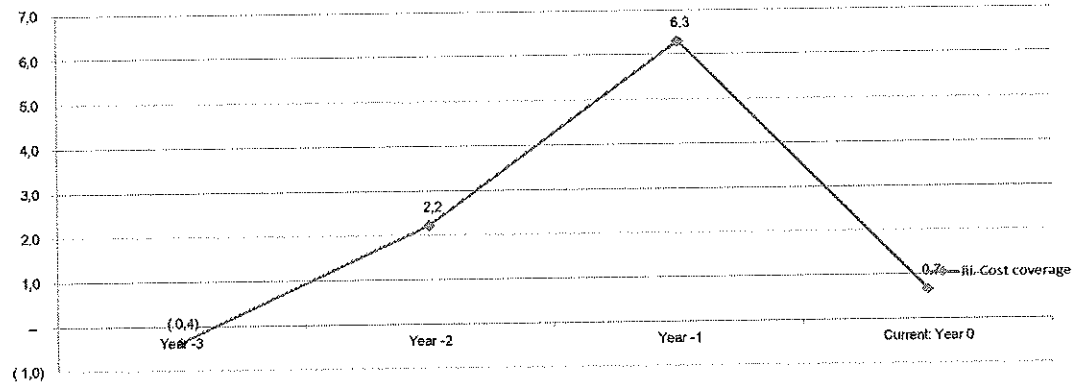
# Chapter 5

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



# Chapter 5

**Cost Coverage**

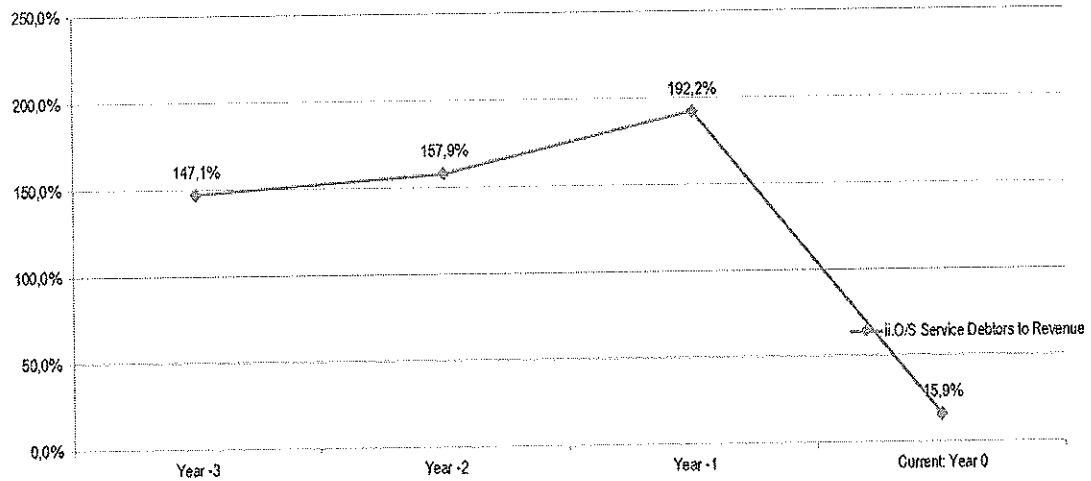


Cost Coverage- It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

**Total Outstanding Service Debtors**



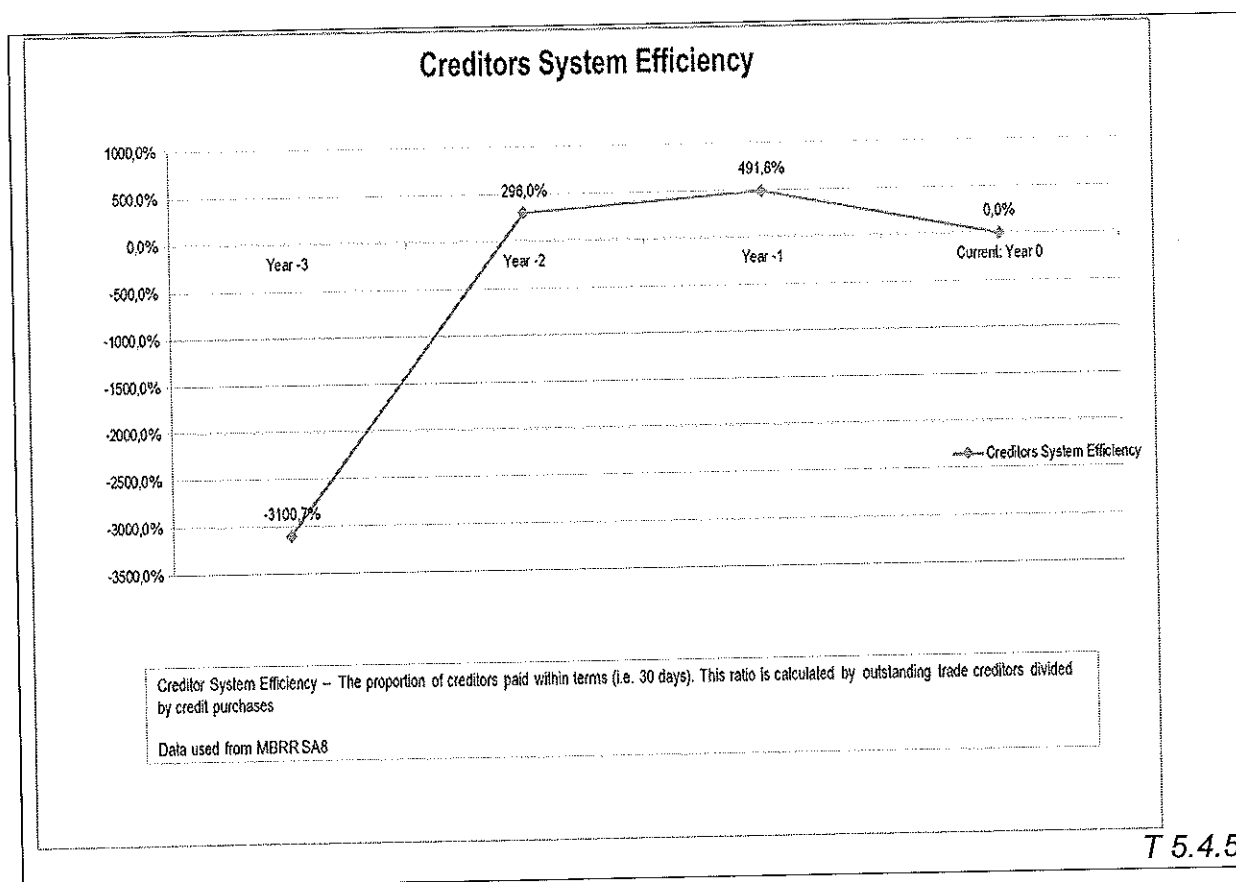
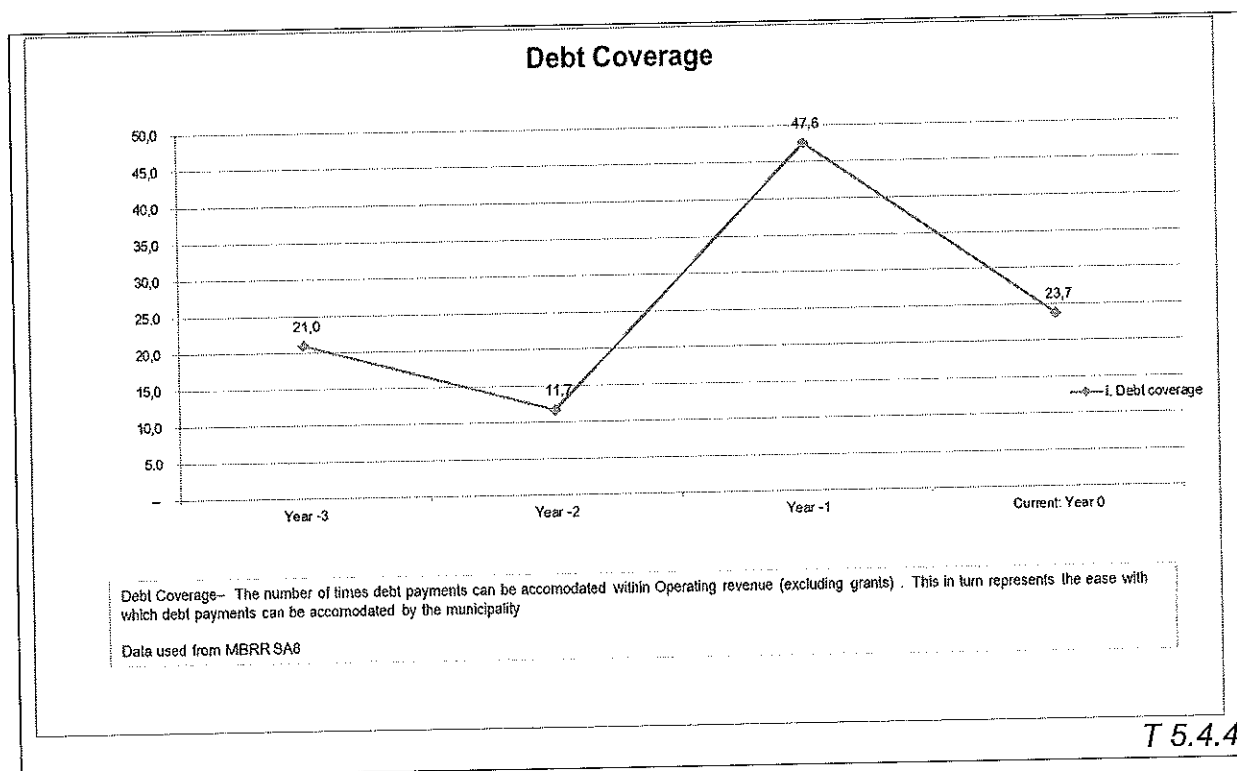
Total Outstanding Service Debtors - Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.3

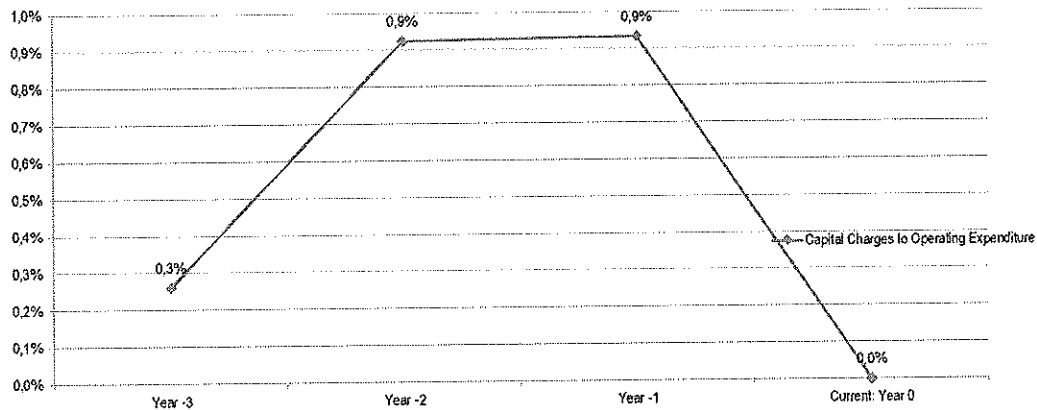


# Chapter 5



# Chapter 5

## Capital Charges to Operating Expenditure

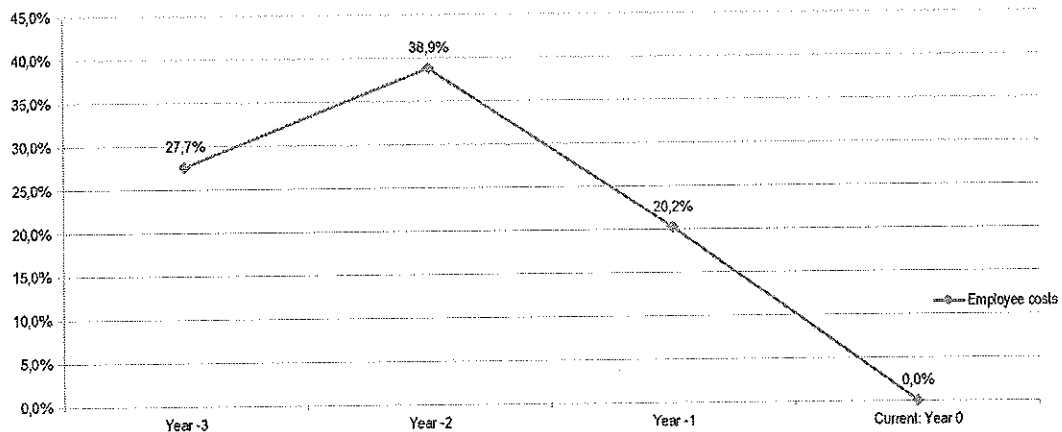


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRRSA8

T 5.4.6

## Employee Costs

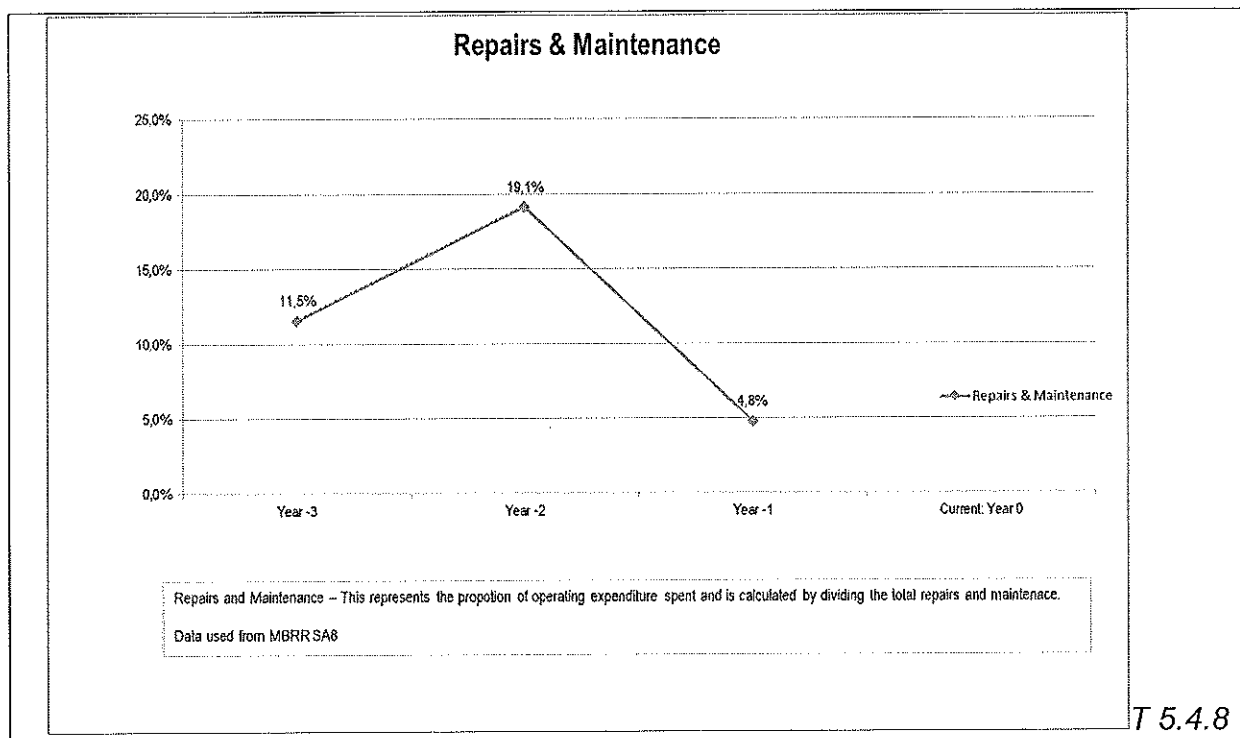


Employee cost - Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRRSA8

T 5.4.7

# Chapter 5



## COMMENT ON FINANCIAL RATIOS:

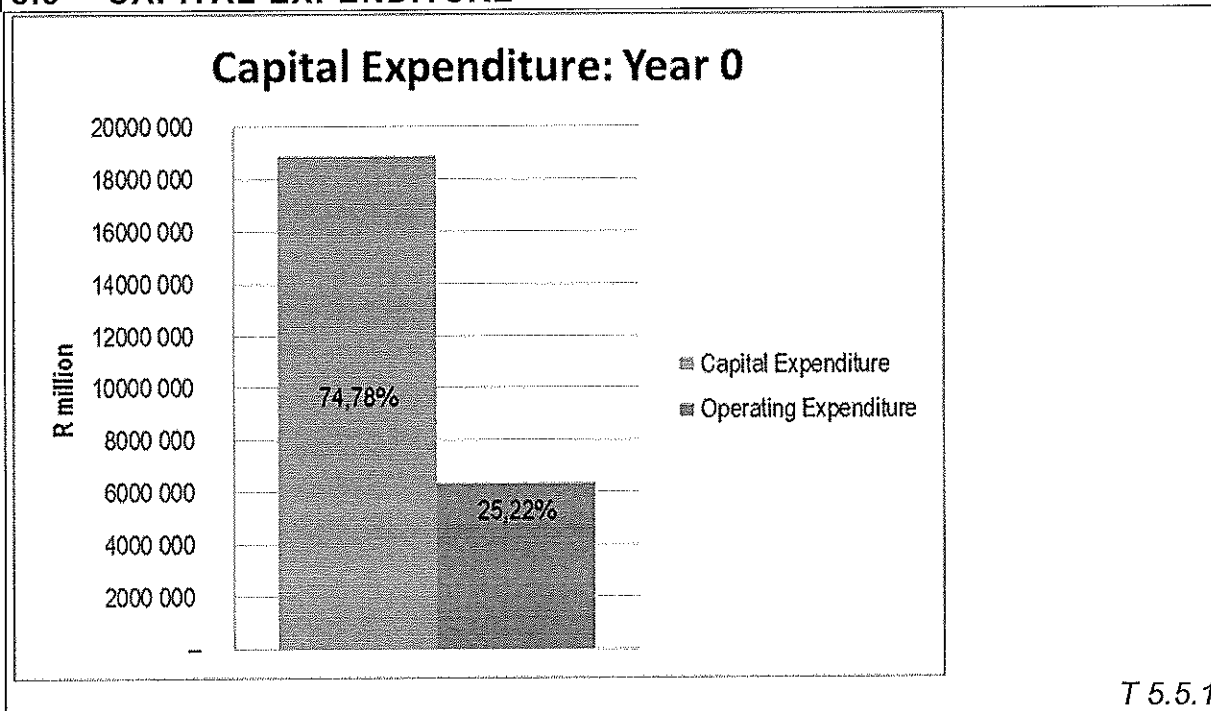
These ratios are derived from table **SA8 of the MBRR**.

T 5.4.9

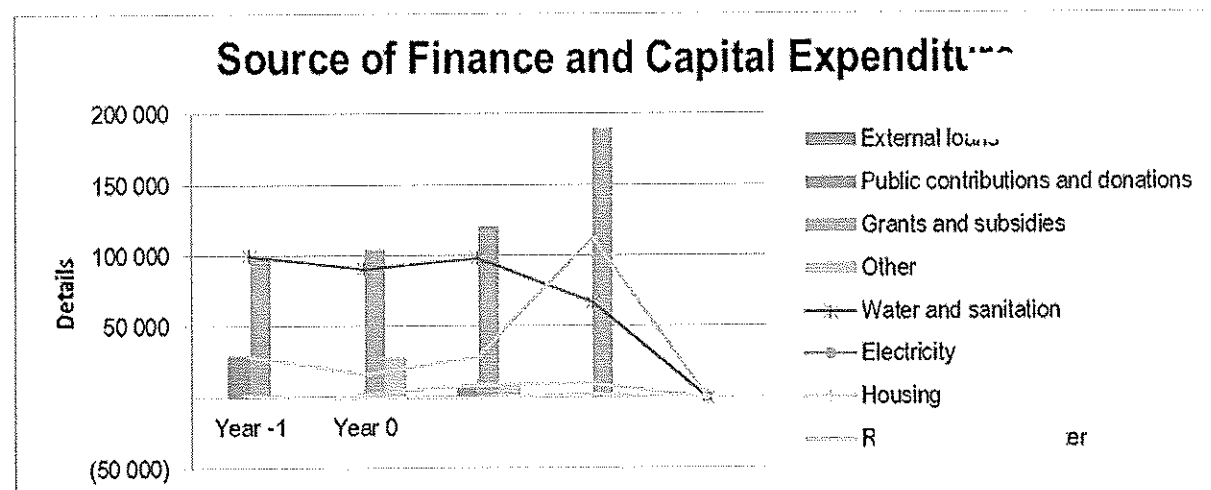
# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.5 CAPITAL EXPENDITURE



### 5.6 SOURCES OF FINANCE



# Chapter 5

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## **COMMENT ON SOURCES OF FUNDING:**

Capital expenditure is funded mainly from conditional grants and other sources like mining bodies and own funds. The difference between the budget and the actual is as a result of other stakeholders not submitting their budget allocations to be included in the municipality's budget. They are recognized only after the transfer is received and the budget adjusted.

*T 5.6.1.1*

### **1.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS**

# Chapter 5

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrading of Kangkhudung Road - Phase 3	11 400	11 400		100%	0%
Gadiboe Water Supply	6 539	6 539		100%	0%
Tsineng Water Supply	10 700	18 523		100%	-73%
Bendell - Phase 2 Water Supply	6 372	6 372		100%	0%
Kiangkop Water Supply	10 000	13 106		100%	-31%
* Projects with the highest capital expenditure in Year 0					
Upgrading of Kangkhudung Road - Phase 3					
Objective of Project	Construct 3km gravel to tar road from N14 to Kangkhudung				
Delays	Sealing contractor to establish site				
Future Challenges	Maintenance Costs				
Anticipated citizen benefits	900				
Gadiboe Water Supply					
Objective of Project	Source verification, siting , drilling, testing and equipping of borehole and storage. Construction of dedicated pumpmain, internal reticulation and 24 Prepaid standpipes				
Delays	None				
Future Challenges	Maintenance Costs				
Anticipated citizen benefits	600				
Tsineng Water Supply					
Objective of Project	Supply and erect a 400 kl pressed steel tank on a 15m tank stand; Construction of 9.2 km of uPVC pipe ranging from 160mm ø to 63 mm ø as part of the internal reticulation; Construction of 3.4 km of 90mm ø uPVC for a dedicated pump main; Supply and install 62 new pre-paid stand pipe units; Replace two existing boreholes equipment and pump houses; Source development for additional borehole/s to reached required demand; Equip new borehole/s; Electrify new boreholes.				
Delays	Hard rock excavation				
Future Challenges	Maintenance Costs				
Anticipated citizen benefits	1873				
Bendell - Phase 2 Water Supply					
Objective of Project	The Scope of Work that is currently to be done at Bendell Phase 2 is the following: Equipping of 4 boreholes with diesel units, Construction of 2.1km internal reticulation, Construction of 4.3km main pipeline, And construction of 66 prepaid standpipes.				
Delays	Community interruptions				
Future Challenges	Maintenance Costs				
Anticipated citizen benefits	2589				
Kiangkop Water Supply					
Objective of Project	Source verification of existing borehole, siting, drilling and testing of 2 additional boreholes, construct 50kl steel tank, construct 650m internal reticulation, construct 1.5km pump main, install 9 prepaid standpipes.				
Delays	Community interruptions				
Future Challenges	Maintenance Costs				
Anticipated citizen benefits	2026				
T 5.7.1					

# Chapter 5

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## **COMMENT ON CAPITAL PROJECTS:**

In total, the municipality implemented 17 Water infrastructure-, 6 Road-, 12 Sanitation-, 2 Community Hall- and 4 Housing projects in the 2014-15 Financial Year. Challenges which were encountered and dealt with on the capital projects included community interruptions, late delivery of key material and hard rock at certain sites. However, the municipality still achieve 100% expenditure of the allocated MIG, MWIG and Refurbishment Grants.

*T 5.7.1.1*

## **5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW**

### **INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS**

There are about 186 rural villages in the Joe Morolong Local Municipality area that need access to basic services like water, electricity, sanitation, housing and roads. Although STATS SA showed a decrease in total population for the area, there is a trend towards disaggregation of families into more than one housing unit. This situation caused a yearly increase of the number of households. Distances between the various villages makes it very difficult to provide basic services as bulk infrastructure to be shared between villages are practical impossible. This have a dramatic effect on the project and maintenance cost

*T 5.8.1*

# Chapter 5

Service Backlogs as at 30 June Year 0				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	17780	75	5927	25
Sanitation	19203	81	4504	19
Electricity	19383	82	4325	18
Waste management				
Housing				

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to \* formal and \*\* informal settlements

T 5.8.2

R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<b>Infrastructure - Road transport</b>				%	%
Roads, Pavements & Bridges	16493	16493	16493	0	%
Storm water					
<b>Infrastructure - Electricity</b>				%	%
Generation	0	0	0	0	0
Transmission & Reticulation					
Street Lighting					
<b>Infrastructure - Water</b>				%	%
Dams & Reservoirs					
Water purification					
Reticulation	17278	17278	17278	0	%
<b>Infrastructure - Sanitation</b>				%	%
Reticulation	18099	18099	18099	0	%
Sewerage purification					
<b>Infrastructure - Other</b>					
Waste Management					
Transportation					
Gas					
<b>Other Specify:</b>					
<b>Total</b>	<b>51870</b>	<b>51870</b>	<b>51870</b>	<b>0</b>	<b>%</b>

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed Infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

## COMMENT ON BACKLOGS:

The MIG grant was used to Upgrade roads in the area, to improve access to decent sanitation facilities and to provide more people access to basic water according to the minimum standards.

T 5.8.4



# Chapter 5

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

financial summary						R'000
Description	2013/14	Budget Year 2014/15			Variance 2014/15	
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
<b>Cash flows</b>						
Net cash from(used) operating activities	149 643	136 892	150 879		-100%	-100%
Net cash from(used) investing	(131 146)	(133 073)	(138 845)		-100%	-100%
Net cash from(used) financing	(1 225)	(784)	(784)		-100%	-100%
Cash and cash equivalent at year end	14 703	6 048	14 349		-100%	-100%
<b>Cash backed reserves/ accumulated surplus reconciliation</b>						
Cash and investments available	14 703	3 231	19 349		-100%	-100%
Application of cash and investments	(18 386)	2 036	1 825		-100%	-100%
Surplus/ shortfall	33 089	1 195	17 524	-	-100%	-100%
<b>Asset management</b>						
Total asset register summary	1 159 368	1 017 648	1 168 019		-100%	-100%
Depreciation and asset impairment	24 326	9 826	7 717		-100%	-100%
Renewal of existing asset	-	10 500	10 250		-100%	-100%
Repair and maintenance	18 215	7 730	6 515		-100%	-100%
<b>Basic services</b>						
Cost of free basic services provided	1 915	2 011	2 461		-100%	-100%
<b>Households below minimum service level</b>						
Water	1941	1941	1941			
Electricity	2901	3322	3322		-100%	-100%
Sanitation	-	4 323	4 323		-100%	-100%
Refuse	23434	23707	23707		-100%	-100%

# Chapter 5

## COMMENT ON CASH FLOW OUTCOMES:

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other		23 155	29 496	29 496
Government - operating		147 129	155 445	155 445
Government - capital		115 669	132 751	132 751
Interest		40	364	364
Dividends				
<b>Payments</b>				
Suppliers and employees		(143 873)	(169 779)	(169 779)
Finance charges		(149)	(177)	(177)
Transfers and Grants		(4 730)	(4 730)	(4 730)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-</b>	<b>137 242</b>	<b>143 370</b>	<b>143 370</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets		(126 383)	(138 900)	(138 900)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(126 383)</b>	<b>(138 900)</b>	<b>(138 900)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing		(784)	(784)	(784)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(784)</b>	<b>(784)</b>	<b>(784)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-</b>	<b>10 074</b>	<b>3 686</b>	<b>3 686</b>
Cash/cash equivalents at the year begin:		3 099	3 099	3 099
Cash/cash equivalents at the year end:		13 173	6 785	6 785
Source: MBRR A7				T 5.9.1

# Chapter 5

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Proper cash flow management is maintained in the municipality to ensure that it meet its obligation. Spending within the budget is emphasized and strongly monitored. The votes are auto-blocked to prevent over spending.

Cash which is not immediately required is transferred into an investment account to generate additional income. The interest generated form the invested cash is used to build reserves.

*T 5.9.1.1*

# Chapter 5

## 5.10 BORROWING AND INVESTMENTS

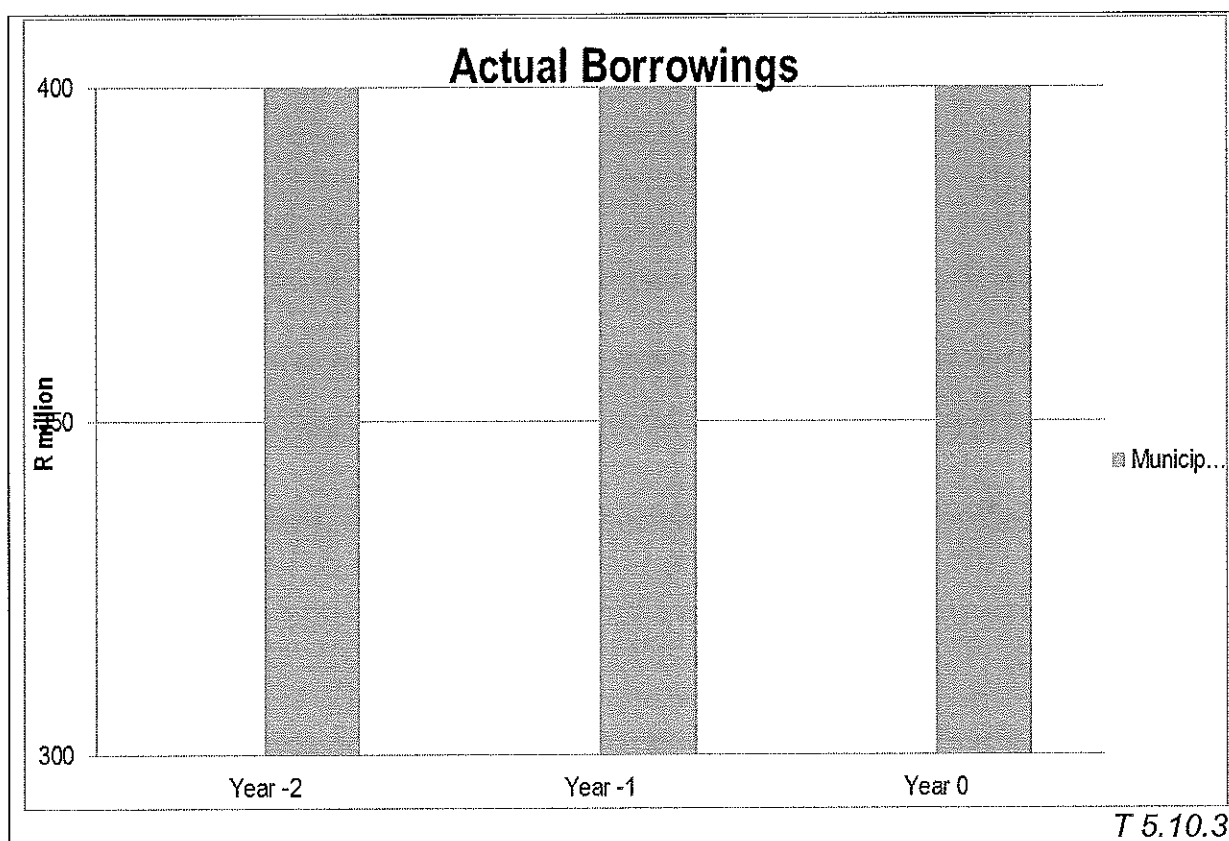
### INTRODUCTION TO BORROWING AND INVESTMENTS

T 5.10.1

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	4 163	2 937	2 937
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>4 163</b>	<b>2 937</b>	<b>2 937</b>
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

T 5.10.2

# Chapter 5



## COMMENT ON BORROWING AND INVESTMENTS:

The municipality is still servicing the loans from DBSA. No other new loans were made during the financial year under review.

*T 5.10.5*

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Municipality is in compliance with all GRAP standards and will maintain it.

*T 5.13.1*

# Chapter 6

## CHAPTER 6: AUDITOR-GENERAL AUDIT REPORTS YEAR -1

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

T 6.0.1

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

#### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year -1	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
Expenditure transactions recorded on the general ledger and Financial statement inclusive of VAT - Projected (EX63)	Current year •Revisit the population for the first 6 month and make the necessary adjustments. •Inspect the whether the votes are established correctly, example fuel needs to be non- vat able •Correctness of votes needs to be continuously monitored •Vat vendor searches on all vat invoices received • Vat training for expenditure staff
Auditor's fees invoices don't agree with AFS	•Account for internal and External Audit in two separate votes
Post-employment benefit understated (EX94)	Review the way we account for Post - employment benefits
	T 6.1.2

Auditor-General Report on Service Delivery Performance: Year -1	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
	T 6.1.2

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
<i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	
T 6.2.1	

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
<i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0</i>	
<i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i>	
T 6.2.2	

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**AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0**

**- Attach report.**

**T 6.2.3**

**COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....  
Dated

**T 6.2.5**



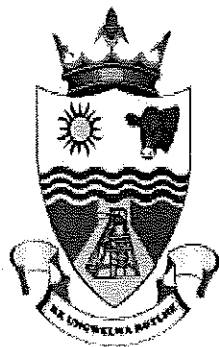
# VOLUME II

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Key</b>	
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of

	outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>



# **Joe Morolong Local Municipality**

(Registration number NC 451)  
AUDITED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## General Information

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### Nature of business and principal activities

Joe Morolong Local Municipality is local municipality performing functions as set out in the Constitution (Act no 105 of 1996)

### Municipal Council Members

Mayor

Cllr. M.D. Moremi

Speaker

Chief Whip

Executive Members

### Party Representatives

Cllr. J. Freedman  
Cllr. M.T. Tihelo  
Cllr. T.P. Tshipo (Deceased)  
Cllr. K. Ditshetelo  
Cllr. S. Segano  
Cllr. B. Matlhomantsho  
Cllr. V. Jordan

### Ward Councillors

Cllr. N. Mokweni	Ward 1
Cllr. O. Kaotsane	Ward 2
Cllr. S. Ortel	Ward 3
Cllr. K. Shuping	Ward 4
Cllr. S. Matshidiso	Ward 5
Cllr. G Sephekolo	Ward 6
Cllr. K. Modise	Ward 7
Cllr. E. Molawa	Ward 8
Cllr. G. Moriri	Ward 9
Cllr. D. Kubang	Ward 10
Cllr. P. Segatsho	Ward 11
Cllr. S. Moagi	Ward 12
Cllr. H. Kgopodithata	Ward 13
Cllr. D. Josop	Ward 14
Cllr. K. Teteme	Ward 15

### Mayor

### Council Committees

#### 1. Finance, Human Resources and Administration

##### Chairperson

Cllr. K.J. Mosiapoe

##### Committee Members

Cllr. V. Jordan  
Cllr. K. Shuping  
Cllr. G. Moriri  
Cllr. N. Mokweni  
Cllr. T. Teteme  
Cllr. O. Kaotsane

#### 2. IDP, Planning and Development

##### Chairperson

Cllr. E.O. Leshope

##### Committee Members

Cllr. M.E. Molawa

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## General Information

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	Cllr. S.P. Segaletsho Cllr. T.M. Mokgoje Cllr. J. Segano Cllr. K. Ditshetelo Cllr. B. Matlhomantsho
3. Infrastructure	
Chairperson	Cllr. B.M. Mbolekwa
Committee Members	Cllr. D.S. Josop Cllr. M.C. Tihelo Cllr. T.P. Tshipo (Deceased) Cllr. K.J. Modise Cllr. O. Kgopodithata
4. Community Service	
Chairperson	Cllr. N. Selebalo
Committee Members	Cllr. J. Freedman Cllr. S.J. Matshidiso Cllr. S. Ortel Cllr. D.C. Kubang Cllr. M.G. Sephekolo
Chief Financial Officer (CFO)	Mrs. B.D. Motlhaping
Business address	D320 Cardington Road Churchill Village 8474
Postal address	Private Bag X 117 Mothibistad 8474
Bankers	Standard Bank Limited Absa Bank Limited First National Bank
Auditors	Auditor General of South Africa

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Index

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The reports and statements set out below comprise the audited annual financial statements presented to the provincial legislature:

<b>Index</b>	<b>Page</b>
Accounting Officer's Responsibilities and Approval	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 15
Accounting Policies	18 - 34
Notes to the Audited Annual Financial Statements	35 - 59
Appendixes:	
Appendix A: Schedule of External loans	60
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	62

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Index

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### Abbreviations

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MSIG	Municipal Systems Improvement Grant
PAYE	Pay As You Earn
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WSOG	Water Services Operating Subsidy Grant

### Relevant Legislation

Municipal Finance Management Act	(Act no 56 of 2003)
Division of Revenue Act	
The Income Tax Act	
Value Added Tax Act	
Municipal Structures Act	(Act no 117 of 1998)
Municipal Systems Act	(Act no 32 of 2000)
Municipal Planning and Performance Management Regulations	
Water Services Act	(Act no 108 of 1997)
Housing Act	(Act no 107 of 1997)
Municipal Property Rates Act	(Act no 6 of 2004)
Electricity Act	(Act no 41 of 1987)
Skills Development Levies Act	(Act no 9 of 1999)
Employment Equity Act	(Act no 55 of 1998)
Unemployment Insurance Act	(Act no 30 of 1966)
Basic Conditions of Employment Act	(Act no 75 of 1997)

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# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Index

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Supply Chain Management (2005)  
Regulations

SALGBC - Salary and Wage  
Collective Agreement

Infrastructure Grants

SALBC Leave Regulations

Labour Relations Act

## **Joe Morolong Local Municipality**

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

The audited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's audited annual financial statements.

The audited annual financial statements set out on pages 7 to 59, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on its behalf by:

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**Mr. T.M. Bloom**  
Accounting Officer

**Joe Morolong Local Municipality**

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	1 577 652	1 797 983
Receivables from non-exchange transactions	4	12 615 720	20 955 594
VAT receivable	5	4 290 274	3 586 880
Receivables from exchange transactions	6	4 160 780	38 420 903
Cash and cash equivalents	7	21 570 148	691 588
		<b>44 214 574</b>	<b>65 452 948</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	1 688 867 112	1 619 283 039
Intangible assets	9	474 321	474 321
		<b>1 689 341 433</b>	<b>1 619 757 360</b>
<b>Total Assets</b>		<b>1 733 556 007</b>	<b>1 685 210 308</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	11	784 454	784 507
Finance lease obligation	52	23 803 757	-
Payables from exchange transactions	12	47 027 821	38 803 300
Employee benefit obligation	50	116 388	118 907
Unspent conditional grants and receipts	10	1 133 530	-
Retention fees	53	12 906 171	1 348 193
Bank overdraft	7	3 692 747	16 122 827
		<b>89 464 868</b>	<b>57 177 734</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	11	1 153 229	1 802 600
Finance lease obligation	52	13 866 194	-
Employee benefit obligation	50	1 273 325	1 046 904
Provisions	14	3 518 969	1 565 000
		<b>19 811 717</b>	<b>4 414 504</b>
<b>Total Liabilities</b>		<b>109 276 585</b>	<b>61 592 238</b>
<b>Net Assets</b>		<b>1 624 279 422</b>	<b>1 623 618 070</b>
Accumulated surplus		<b>1 624 279 422</b>	<b>1 623 618 070</b>

\* See Note 41

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	18	30 944 892	20 550 869
Interest charged on arrear consumer accounts		7 337 104	4 583 384
Other income	16	2 451 258	825 372
Interest received - investment	15	2 706 138	1 155 435
<b>Total revenue from exchange transactions</b>		<b>43 439 392</b>	<b>27 115 060</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	19	10 418 008	10 426 038
Sundry revenue		366 993	1 708 460
<b>Transfer revenue</b>			
Government grants & subsidies	20	290 922 486	256 511 323
Public contributions and donations	21	-	4 977 620
<b>Total revenue from non-exchange transactions</b>		<b>301 707 487</b>	<b>273 623 441</b>
<b>Total revenue</b>	22	<b>345 146 879</b>	<b>300 738 501</b>
<b>Expenditure</b>			
Employee related costs	30	56 713 707	47 446 687
Remuneration of councillors	31	7 817 698	8 531 355
Depreciation and amortisation	26	57 117 989	26 490 835
Finance costs	27	3 663 842	202 490
Debt Impairment	25	79 248 917	(59 839 362)
Repairs and maintenance		30 615 122	9 252 042
Bulk purchases	23	10 095 492	11 103 962
Contracted services	24	-	465 600
Transfers and Subsidies	29	55 406 640	18 379 122
General Expenses	28	43 806 125	39 204 895
<b>Total expenditure</b>		<b>344 485 532</b>	<b>101 237 626</b>
<b>Operating surplus</b>		<b>661 347</b>	<b>199 500 875</b>
<b>Surplus for the year</b>		<b>661 347</b>	<b>199 500 875</b>

\* See Note 41

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1 443 574 269	1 443 574 269
Adjustments		
Prior year adjustments	(19 457 074)	(19 457 074)
<b>Balance at 01 July 2014 as restated*</b>	<b>1 424 117 195</b>	<b>1 424 117 195</b>
Changes in net assets		
Surplus for the year	199 500 875	199 500 875
Total changes	199 500 875	199 500 875
Opening balance as previously reported	1 232 604 301	1 232 604 301
Adjustments		
Prior period error - Note 41	391 013 774	391 013 774
<b>Restated* Balance at 01 July 2015 as restated*</b>	<b>1 623 618 075</b>	<b>1 623 618 075</b>
Changes in net assets		
Surplus for the year	661 347	661 347
Total changes	661 347	661 347
<b>Balance at 30 June 2016</b>	<b>1 624 279 422</b>	<b>1 624 279 422</b>
Note(s)		

\* See Note 41

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Cash Flow Statement

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		14 869 337	68 756 052
Grants		236 649 376	238 132 201
Interest income		2 706 138	1 155 435
		<u>254 224 851</u>	<u>308 043 688</u>
<b>Payments</b>			
Employee costs		(63 258 080)	(54 812 231)
Suppliers		(75 870 733)	(52 798 668)
Finance costs		(3 663 842)	(202 490)
		<u>(142 792 655)</u>	<u>(107 813 389)</u>
<b>Net cash flows from operating activities</b>	36	<u>111 432 196</u>	<u>200 230 299</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(127 184 255)	(181 525 951)
Proceeds from sale of property, plant and equipment	8	482 194	229 717
Purchase of intangible assets	9	-	(245 774)
<b>Net cash flows from investing activities</b>		<u>(126 702 061)</u>	<u>(181 542 008)</u>
<b>Cash flows from financing activities</b>			
Proceeds /(repayment) of other financial liabilities		(649 424)	(638 182)
Movement in retention fees		11 557 978	-
Repayment of shareholders loan		-	19 824 408
Finance lease payments		37 669 951	-
<b>Net cash flows from financing activities</b>		<u>48 578 505</u>	<u>(638 182)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>33 308 640</u>	<u>(215 348)</u>
Cash and cash equivalents at the beginning of the year		(15 431 239)	(15 215 891)
<b>Cash and cash equivalents at the end of the year</b>	7	<u>17 877 401</u>	<u>(15 431 239)</u>

\* See Note 41

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Service charges	15 912 000	(1 867 000)	14 045 000	30 944 892	16 899 892	51
Rental of facilities and equipment	97 000	(18 000)	79 000	-	(79 000)	
Interest received (trading)	50 000	(25 000)	25 000	7 337 104	7 312 104	51
Agency services	109 000	(55 000)	54 000	-	(54 000)	
Transfers recognised	147 129 000	8 316 000	155 445 000	-	(155 445 000)	51
Other income - (rollup)	582 000	8 729 000	9 311 000	2 451 258	(6 859 742)	51
Interest received - investment	-	364 000	364 000	2 706 138	2 342 138	51
<b>Total revenue from exchange transactions</b>	<b>163 879 000</b>	<b>15 444 000</b>	<b>179 323 000</b>	<b>43 439 392</b>	<b>(135 883 608)</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	10 489 000	6 398 000	16 887 000	10 418 008	(6 468 992)	51
Other taxation revenue 1	-	-	-	366 993	366 993	

##### Transfer revenue

Government grants & subsidies	-	-	-	290 922 486	290 922 486	51
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<b>Total revenue from non-exchange transactions</b>	<b>10 489 000</b>	<b>6 398 000</b>	<b>16 887 000</b>	<b>301 707 487</b>	<b>284 820 487</b>	
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<b>Total revenue</b>	<b>174 368 000</b>	<b>21 842 000</b>	<b>196 210 000</b>	<b>345 146 879</b>	<b>148 936 879</b>	
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#### Expenditure

Employee costs	(49 199 000)	(2 506 000)	(51 705 000)	(56 713 707)	(5 008 707)	51
Remuneration of councillors	(8 538 000)	(1 175 000)	(9 713 000)	(7 817 698)	1 895 302	51
Depreciation and asset impairment	(10 000 000)	-	(10 000 000)	(57 117 989)	(47 117 989)	51
Finance costs	(934 000)	-	(934 000)	-	934 000	51
Bad debts written off	-	-	-	(79 248 917)	(79 248 917)	
Repairs and maintenance	-	-	-	(30 615 122)	(30 615 122)	51
Bulk purchases	(10 847 000)	1 173 000	(9 674 000)	(10 095 492)	(421 492)	51
Contracted Services	(20 398 000)	1 698 000	(18 700 000)	-	18 700 000	51
Transfers and Subsidies	(4 730 000)	(197 000)	(4 927 000)	(55 406 640)	(50 479 640)	51
General Expenses	-	-	-	(47 469 967)	(47 469 967)	51
Debt Impairment	(3 960 000)	-	(3 960 000)	-	3 960 000	51
Other expenditure	(55 048 000)	(18 334 000)	(73 382 000)	-	73 382 000	51
<b>Total expenditure</b>	<b>(163 654 000)</b>	<b>(19 341 000)</b>	<b>(182 995 000)</b>	<b>(344 485 532)</b>	<b>(161 490 532)</b>	
<b>Surplus before taxation</b>	<b>10 714 000</b>	<b>2 501 000</b>	<b>13 215 000</b>	<b>661 347</b>	<b>(12 553 653)</b>	
Capital transfers and contributions	(115 669 000)	(17 082 000)	(132 751 000)	-	132 751 000	51

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	126 383 000	19 583 000	145 966 000	661 347	(145 304 653)	



# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	1 575 000	-	1 575 000	1 577 652	2 652	51
Receivables from non-exchange transactions	-	-	-	6 220 617	6 220 617	51
VAT receivable	-	-	-	4 290 274	4 290 274	51
Consumer debtors	4 916 000	-	4 916 000	4 160 780	(755 220)	51
Call investment deposits	257 000	-	257 000	-	(257 000)	51
Cash and cash equivalents	13 173 000	-	13 173 000	21 570 148	8 397 148	51
	<b>19 921 000</b>	<b>-</b>	<b>19 921 000</b>	<b>37 819 471</b>	<b>17 898 471</b>	

##### Non-Current Assets

Property, plant and equipment	1 261 992 000	138 765 000	1 400 757 000	1 688 867 112	288 110 112	51
Intangible assets	420 000	-	420 000	474 321	54 321	
	<b>1 262 412 000</b>	<b>138 765 000</b>	<b>1 401 177 000</b>	<b>1 689 341 433</b>	<b>288 164 433</b>	

#### Total Assets

	<b>1 282 333 000</b>	<b>138 765 000</b>	<b>1 421 098 000</b>	<b>1 727 160 904</b>	<b>306 062 904</b>	
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#### Liabilities

##### Current Liabilities

Other financial liabilities	-	-	-	784 454	784 454	51
Finance lease obligation	-	-	-	23 803 757	23 803 757	
Payables from exchange transactions	13 214 000	-	13 214 000	47 027 823	33 813 823	51
Employee benefit obligation	-	-	-	116 388	116 388	
Unspent conditional grants and receipts	-	-	-	1 133 530	1 133 530	
Provisions	677 000	-	677 000	-	(677 000)	51
Retention fees	784 000	-	784 000	12 906 171	12 122 171	
Bank overdraft	-	-	-	3 692 747	3 692 747	
	<b>14 675 000</b>	<b>-</b>	<b>14 675 000</b>	<b>89 464 870</b>	<b>74 789 870</b>	

##### Non-Current Liabilities

Other financial liabilities	-	-	-	1 153 229	1 153 229	
Finance lease obligation	-	-	-	13 866 194	13 866 194	
Employee benefit obligation	-	-	-	1 273 325	1 273 325	
Provisions	1 629 000	-	1 629 000	3 518 965	1 889 965	
Retention fees	2 516 000	-	2 516 000	-	(2 516 000)	
	<b>4 145 000</b>	<b>-</b>	<b>4 145 000</b>	<b>19 811 713</b>	<b>15 666 713</b>	

#### Total Liabilities

	<b>18 820 000</b>	<b>-</b>	<b>18 820 000</b>	<b>109 276 583</b>	<b>90 456 583</b>	
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#### Net Assets

	<b>1 263 513 000</b>	<b>138 765 000</b>	<b>1 402 278 000</b>	<b>1 617 884 321</b>	<b>215 606 321</b>	
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## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	1 263 513 000	138 765 000	<b>1 402 278 000</b>	1 617 884 321	<b>215 606 321</b>	

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

### Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

Sale of goods and services	22 442 000	(2 316 000)	20 126 000	-	(20 126 000)
Grants	262 798 000	25 398 000	288 196 000	-	(288 196 000)
Interest income	40 000	324 000	364 000	-	(364 000)
Other receipts	714 000	8 657 000	9 371 000	-	(9 371 000)
	<b>285 994 000</b>	<b>32 063 000</b>	<b>318 057 000</b>	-	<b>(318 057 000)</b>

##### Payments

Suppliers and employees	(143 873 000)	(25 906 000)	(169 779 000)	-	169 779 000
Transfers and grants	(4 730 000)	-	(4 730 000)	-	4 730 000
Finance costs	(149 000)	(28 000)	(177 000)	-	177 000
	<b>(148 752 000)</b>	<b>(25 934 000)</b>	<b>(174 686 000)</b>	-	<b>174 686 000</b>

<b>Net cash flows from operating activities</b>	<b>137 242 000</b>	<b>6 129 000</b>	<b>143 371 000</b>	-	<b>(143 371 000)</b>
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#### Cash flows from investing activities

Purchase of property, plant and equipment	(126 383 000)	(12 516 000)	(138 899 000)	-	138 899 000
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#### Cash flows from financing activities

Movement in retention fees	(784 000)	-	(784 000)	-	784 000
Net increase/(decrease) in cash and cash equivalents	10 075 000	(6 387 000)	3 688 000	-	(3 688 000)
Cash and cash equivalents at the beginning of the year	3 099 000	-	3 099 000	-	(3 099 000)
<b>Cash and cash equivalents at the end of the year</b>	<b>13 174 000</b>	<b>(6 387 000)</b>	<b>6 787 000</b>	-	<b>(6 787 000)</b>

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments s31 of the MFMA	Shifting of funds (i.t.o. MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2016</b>											
<b>Financial Performance</b>											
Property rates	10 489 000	6 398 000	16 887 000	-	-	16 887 000	10 418 008		(6 468 992)	62 %	99 %
Service charges	15 912 000	(1 867 000)	14 045 000	-	-	14 045 000	30 944 892		16 899 892	220 %	194 %
Investment revenue	-	364 000	364 000	-	-	364 000	2 706 138		2 342 138	743 %	DIV/0 %
Transfers recognised - operational	147 129 000	8 316 000	155 445 000	-	-	155 445 000	118 229 470		(37 215 530)	76 %	80 %
Other own revenue	838 000	8 631 000	9 469 000	-	-	9 469 000	10 155 355		686 355	107 %	1 212 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>174 368 000</b>	<b>21 842 000</b>	<b>196 210 000</b>	<b>-</b>	<b>-</b>	<b>196 210 000</b>	<b>172 453 863</b>		<b>(23 756 137)</b>	<b>88 %</b>	<b>99 %</b>
Employee costs	(49 199 000)	(2 506 000)	(51 705 000)	-	-	(51 705 000)	(56 713 707)		(5 008 707)	110 %	115 %
Remuneration of councillors	(8 538 000)	(1 175 000)	(9 713 000)	-	-	(9 713 000)	(7 817 698)		1 895 302	80 %	92 %
Debt impairment	(3 960 000)	-	(3 960 000)			(3 960 000)	(79 248 917)		(75 288 917)	2 001 %	2 001 %
Depreciation and asset impairment	(10 000 000)	-	(10 000 000)			(10 000 000)	(57 117 989)		(47 117 989)	571 %	571 %
Finance charges	(934 000)	-	(934 000)	-	-	(934 000)	(3 663 842)		(2 729 842)	392 %	392 %
Materials and bulk purchases	(31 245 000)	2 871 000	(28 374 000)	-	-	(28 374 000)	(10 095 492)		18 278 508	36 %	32 %
Transfers and grants	(4 730 000)	(197 000)	(4 927 000)	-	-	(4 927 000)	(55 406 640)		(50 479 640)	1 125 %	1 171 %
Other expenditure	(55 048 000)	(18 334 000)	(73 382 000)	-	-	(73 382 000)	(74 421 247)		(1 039 247)	101 %	135 %
<b>Total expenditure</b>	<b>(163 654 000)</b>	<b>(19 341 000)</b>	<b>(182 995 000)</b>	<b>-</b>	<b>-</b>	<b>(182 995 000)</b>	<b>(344 485 532)</b>		<b>(161 490 532)</b>	<b>188 %</b>	<b>210 %</b>
<b>Surplus/(Deficit)</b>	<b>10 714 000</b>	<b>2 501 000</b>	<b>13 215 000</b>	<b>-</b>	<b>-</b>	<b>13 215 000</b>	<b>(172 031 669)</b>		<b>(185 246 669)</b>	<b>(1 302)%</b>	<b>(1 606)%</b>

# Joe Morolong Local Municipality

(Registration number NC 451)  
Audited Annual Financial Statements for the year ended 30 June 2016

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	115 669 000	17 082 000	132 751 000	-	-	132 751 000	172 693 016		39 942 016	130 %	149 %
Surplus (Deficit) after capital transfers and contributions	126 383 000	19 583 000	145 966 000	-	-	145 966 000	661 347		(145 304 653)	- %	1 %
Surplus/(Deficit) for the year	126 383 000	19 583 000	145 966 000	-	-	145 966 000	661 347		(145 304 653)	- %	1 %

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

##### Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

##### Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

##### Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates inflation interest, etc.

#### Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate of the obligation can be made.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

The increase in the provision due to passage of time is recognised as interest expense.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the financial statements.

#### Landfill sites

The municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations.

The amount of the provision is recognised at the present value of the expenditure expected to settle the obligation and is carried at amortised cost.

Provisions were raised and management determined an estimate based on the information available.

#### Useful lives and residual values

The municipality reassesses the useful lives and residual values of property, plant and equipment and intangible assets when there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity shall revise the expected useful life and/or residual value accordingly. In reassessing the useful lives and residual values of property, plant and equipment and intangible assets management considers the condition and use of the individual assets, and base it on industry knowledge, to determine the remaining period over which the asset can and will be used and the residual value.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Long service awards

The long service awards liability arises from the municipality being a party to the Collective Agreement on Conditions of Service for Northern Cape Division of SALGBC. A valuation of the municipality's liability relating to the long service awards was performed by actuaries.

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, meets the definition of assets and the meets the recognition criteria, they are accounted for as separate items (major components) of property, plant and equipment.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequently all Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	
• Improvements	25-30 years
• Buildings	25-30 years



# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

#### Plant and machinery

- Specialized plant and equipment 10-15 years
- Other plants and equipment 2-15 years

#### Furniture and fixtures

- Office equipment 3-15 years
- Furniture and fittings 5-15 years

#### Motor vehicles

- Specialized vehicles 10-15 years
- Other vehicles 5-15 years

#### Infrastructure

- Roads and paving 10-100 years
- Pedestrian malls 15-30 years
- Electricity 15-60 years

#### Community

- Community facilities 25-30 years
- Recreational facilities 15-30 years

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.5 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	5 years

### 1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

# **Joe Morolong Local Municipality**

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## **Accounting Policies**

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### **1.6 Financial instruments (continued)**

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

#### **Initial recognition**

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

# **Joe Morolong Local Municipality**

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## **Accounting Policies**

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### **1.6 Financial instruments (continued)**

#### **Subsequent measurement of financial assets and financial liabilities**

##### **Financial assets**

Held-to-maturity investments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Loans and receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest rate method less any impairment, with interest recognised on an effective yield basis.

Financial assets at fair value are initially and subsequently, at the end of each financial year, measured at fair value with the gain or loss being recognised in the statement of financial performance.

Available-for-sale assets are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the statement of financial performance.

##### **Financial liabilities**

Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the statement of financial performance.

Financial liabilities held at amortised cost are initially measured at fair value, net of transaction costs. Trade and other payables, interest bearing debt including finance lease liabilities, non-interest bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the statement of financial performance by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

##### **Gains and losses**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in net assets and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in net assets shall be removed and recognised in the statement of financial performance even though the financial asset has not been derecognised. The amount of the cumulative loss that is removed from net assets and recognised in the statement of financial performance is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in statement of financial performance. Impairment losses recognised in the statement of financial performance for an investment in an equity instrument classified as available-for-sale are not reversed through the statement of financial performance.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss is recognised in the statement of financial performance, the impairment loss must be reversed, with the amount of the reversal recognised in the statement of financial performance.

#### Financial Assets carried at amortised cost

Accounts receivable encompass long-term debtors, consumer debtors and other debtors.

Initially accounts receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

An allowance for impairment of accounts receivable is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made in accordance with IAS whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risks characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to shortterm receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of consumer debtors, where the carrying amount is reduced through the use of an allowance account. When a consumer debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of financial performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Accounting Policies

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#### 1.6 Financial instruments (continued)

##### Derecognition

##### Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The municipality transfers a financial asset if either it transfers the contractual rights to receive the cash flows of the financial asset or it retains the contractual rights to receive the cash flows of the financial asset.

The municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the statement of financial performance.

##### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

#### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.7 Leases (continued)

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.8 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### Subsequent Measurement

##### Consumable stores, raw materials, work-in-progress and finished goods

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

##### Water Inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the first-in-first-out method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

##### Other Arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arise. The amount of any reversal of any writedown of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

### 1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.



# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.9 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

### 1.10 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

### 1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.11 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and incentive payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

### 1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

#### Prepaid water and electricity

Revenue from the sale of water and electricity prepaid meter cards are recognised at the point of sale.

### 1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.13 Revenue from exchange transactions (continued)

#### Service charges

Service charges are levied in terms of approved tariffs. Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property and water consumption, using the tariffs approved by council, and are levied monthly.

### 1.14 Revenue from non-exchange transactions

#### 1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.16 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

#### 1.17 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

# **Joe Morolong Local Municipality**

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## **Accounting Policies**

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### **1.20 Related parties**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the municipality, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. The municipality regards all individuals at senior management as key management per the definition of the financial reporting standard.

Close members of the family of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### **1.21 Cash and cash equivalents**

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

### **1.22 Investments**

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

Investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

### **1.23 Budget information**

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

# **Joe Morolong Local Municipality**

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## **Accounting Policies**

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### **1.24 Government grants and receipts**

Government grants and receipts are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the statement of financial performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in the statement of financial performance.

Revenue comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

### **1.25 Value added tax (VAT)**

The municipality accounts for value added tax on the cash basis. The municipality is liable to account for VAT at the standard rate (14%) in terms of section 7(1)(a) of the VAT Act in respect of the supply of goods or services except where the suppliers are specifically zero rated in terms of section 11, exempt in terms of section 12 of the VAT Act or are scoped out for VAT purposes.

The municipality accounts for VAT on a monthly basis.

### **Finance income**

Interest earned on investments is recognised in the statement of financial performance on the time-proportionate basis that takes into account the effective yield on the investment.

### **Rentals received**

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

### **Dividends**

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

### **Tariff charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant advertised tariff. This includes the issuing of licences and permits.

### **Revenue from agency services**

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

### **Sale of goods (including houses)**

Revenue from the sale of goods is recognised when all the following conditions have been met:

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.26 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in notes to the annual financial statements.

### 1.27 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes. A distinction is made between capital and current commitments.

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are be non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

### 1.28 Change in accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality restated the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

The municipality identified and disclosed the impact of GRAP standards that have been issued but are not yet effective in accordance with the requirements of GRAP 3.

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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#### 2. New standards and interpretations

##### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 17 effective 1 April 2016 Impact - Assessment of useful life

Standard/ Interpretation:

Effective date:

Expected impact:

Years beginning on or  
after

The aggregate impact of the initial application of the statements and interpretations on the municipality's audited annual financial statements is expected to be as follows:

##### Income statement for the year 30 June 2017

The changes in the new standards and interpretations resulted in a decrease in basic earnings per share and diluted earnings per share as follows:

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>3. Inventories</b>		
Consumable stores	1 577 652	1 797 983
<b>Inventory pledged as security</b>		
No Inventory was pledged as security		
<b>4. Receivables from non-exchange transactions</b>		
Employee costs in advance	962 754	1 102 232
Prepaid expenses - fleet lease	4 965 071	-
Unallocated receipts	292 792	142 782
Rates - gross balance	47 392 117	37 650 586
Less: Allowance for rates impairment	(40 997 014)	(17 940 006)
	<b>12 615 720</b>	<b>20 955 594</b>
<b>5. VAT receivable</b>		
VAT	4 290 274	3 586 880
<b>6. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	5 015 397	3 879 578
Water	40 725 383	21 720 574
Sewerage	24 386 474	22 590 719
Refuse	2 400 371	1 837 555
Service debtors	21 613 511	22 239 467
	<b>94 141 136</b>	<b>72 267 893</b>
<b>Less: Allowance for impairment</b>		
Electricity	(3 920 167)	(2 883 243)
Water	(38 218 281)	(19 347 838)
Sewerage	(22 837 200)	(2 432 892)
Refuse	(2 059 637)	(1 806 579)
Service debtors	(22 945 071)	(7 376 438)
	<b>(89 980 356)</b>	<b>(33 846 990)</b>
<b>Net balance</b>		
Electricity	1 095 230	996 335
Water	2 507 102	2 372 736
Sewerage	1 549 274	20 157 827
Refuse	340 734	30 976
Service debtors	(1 331 560)	14 863 029
	<b>4 160 780</b>	<b>38 420 903</b>
<b>Electricity</b>		
Current (0 -30 days)	1 095 230	77 984
31 - 60 days	-	88 326
61 - 90 days	-	112 313
91 - 120 days	-	101 013
> 365 days	-	616 699
	<b>1 095 230</b>	<b>996 335</b>



## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>6. Receivables from exchange transactions (continued)</b>		
<b>Water</b>		
Current (0 -30 days)	2 507 102	1 050 118
31 - 60 days	-	757 084
61 - 90 days	-	565 534
	<b>2 507 102</b>	<b>2 372 736</b>
<b>Sewerage</b>		
Current (0 -30 days)	1 549 274	166 821
31 - 60 days	-	158 304
61 - 90 days	-	155 602
91 - 120 days	-	153 100
121 - 365 days	-	908 690
> 365 days	-	18 615 310
	<b>1 549 274</b>	<b>20 157 827</b>
<b>Refuse</b>		
Current (0 -30 days)	340 734	30 976
<b>Other (specify)</b>		
Current (0 -30 days)	(1 331 560)	1 405 833
31 - 60 days	-	176 322
61 - 90 days	-	5 546
91 - 120 days	-	2 285 529
121 - 365 days	-	682 651
> 365 days	-	10 307 148
	<b>(1 331 560)</b>	<b>14 863 029</b>

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>6. Receivables from exchange transactions (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	-	16 467
31 - 60 days	-	2 770
61 - 90 days	-	7 846
91 - 120 days	-	379
121 - 365 days	-	36 352
	-	<b>63 814</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	-	2 017 402
31 - 60 days	-	11 019
61 - 90 days	-	969
91 - 120 days	-	2 131
121 - 365 days	-	140 172
	-	<b>2 171 693</b>
<b>National and provincial government</b>		
Current (0 -30 days)	-	120 253
31 - 60 days	-	103 027
61 - 90 days	-	111 185
91 - 120 days	-	2 284 919
121 - 365 days	-	53 100 327
	-	<b>55 719 711</b>
<b>Total</b>		
Current (0 -30 days)	4 160 780	5 277 815
31 - 60 days	-	2 454 323
61 - 90 days	-	2 250 806
91 - 120 days	-	5 612 905
121 - 365 days	-	15 005 623
> 365 days	-	49 797 851
	4 160 780	80 399 323
Less: Allowance for impairment	-	(41 978 420)
	<b>4 160 780</b>	<b>38 420 903</b>
<b>Less: Allowance for impairment</b>		
Current (0 -30 days)	(89 980 356)	(93 686 353)
31 - 60 days	-	59 839 363
	<b>(89 980 356)</b>	<b>(33 846 990)</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(89 980 356)	(93 686 353)
Reversal of allowance	-	59 839 363
	<b>(89 980 356)</b>	<b>(33 846 990)</b>

#### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>7. Cash and cash equivalents (continued)</b>		
Short-term deposits	21 570 148	691 588
Bank overdraft	(3 692 747)	(16 122 827)
	<b>17 877 401</b>	<b>(15 431 239)</b>
Current assets	21 570 148	691 588
Current liabilities	(3 692 747)	(16 122 827)
	<b>17 877 401</b>	<b>(15 431 239)</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
ABSA Bank Limited - 4054385292	587 374	1 059 615	1 651 603	21 081	1 047 359	1 635 548
Standard Bank - Primary account bank - 302854185	2 422 389	954 381	1 444 403	-	(17 170 605)	(17 191 204)
CALL INVESTMENT DEPOSITS:	-	-	-	-	-	-
ABSA Bank Limited - Call account - 9288820487	261 528	246 131	232 404	-	246 131	232 404
First National Bank - Call Deposit - 62247117709	111 970	105 862	3 205	-	105 862	3 205
ABSA Bank Limited - Fixed deposit - 2073969801	32 872	31 135	29 701	-	31 135	29 701
ABSA Bank Limited - Depositor plus - 9297200038	244 913	230 838	-	-	230 838	-
Standard Bank - Money market call account - 548529973 003	76 735	72 414	69 330	-	72 414	69 330
Standard Bank - Money market call account - 548529973 002	5 330	5 208	5 125	-	5 208	5 125
Nedbank - Call deposit - 7881112840	20 836 800	-	-	-	-	-
<b>Total</b>	<b>24 579 911</b>	<b>2 705 584</b>	<b>3 435 771</b>	<b>21 081</b>	<b>(15 431 658)</b>	<b>(15 215 891)</b>

## 8. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Community	138 439 351	(29 122 036)	109 317 315	134 937 935	(24 332 426)	110 605 509
Computer equipment	2 629 758	(1 888 238)	741 520	2 207 908	(1 400 312)	807 596
Furniture and fixtures	2 392 587	(1 961 822)	430 765	2 274 890	(1 695 341)	579 549
Infrastructure	1 564 159 498	(187 282 799)	1 376 876 699	1 438 002 164	(137 090 808)	1 300 911 356
Land	7 169 290	-	7 169 290	7 169 290	-	7 169 290
Leasehold property	44 506 764	-	44 506 764	-	-	-
Motor vehicles	6 223 007	(2 400 105)	3 822 902	11 252 146	(6 580 273)	4 671 873
Other property, plant and equipment	2 919 223	(1 718 810)	1 200 413	3 842 279	(1 682 412)	2 159 867
Work in progress - Infrastructure	144 801 444	-	144 801 444	192 377 999	-	192 377 999
<b>Total</b>	<b>1 913 240 922</b>	<b>(224 373 810)</b>	<b>1 688 867 112</b>	<b>1 792 064 611</b>	<b>(172 781 572)</b>	<b>1 619 283 039</b>

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Community	110 605 509	3 501 416	-	-	(4 789 610)	109 317 315
Computer equipment	807 596	439 723	(13 334)	-	(492 465)	741 520
Furniture and fixtures	579 549	155 575	661	-	(305 020)	430 765
Infrastructure	1 300 911 356	-	-	126 157 334	(50 191 991)	1 376 876 699
Land	7 169 290	-	-	-	-	7 169 290
Leasehold property	-	44 506 764	-	-	-	44 506 764
Motor vehicles	4 671 873	-	45 148	-	(894 119)	3 822 902
Other property, plant and equipment	2 159 867	-	(514 669)	-	(444 785)	1 200 413
Work in progress	192 377 999	78 580 777	-	(126 157 332)	-	144 801 444
	<b>1 619 283 039</b>	<b>127 184 255</b>	<b>(482 194)</b>	<b>2</b>	<b>(57 117 990)</b>	<b>1 688 867 112</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Newly found assets	Transfers	Other changes, movements	Depreciation
Community	109 331 976	5 771 465	-	-	-	-	(4 497 93)
Computer equipment	947 790	266 213	(174 789)	-	-	-	(231 61)
Furniture and fixtures	694 825	198 644	(1 473)	-	-	(3 422)	(309 02)
Infrastructure	881 595 821	47 830 047	352 610	391 013 775	-	-	(19 880 89)
Land	7 169 290	-	-	-	-	-	-
Motor vehicles	4 962 860	1 377 642	(406 065)	-	-	-	(1 262 56)
Other property, plant and equipment	872 627	1 155 522	-	-	-	355 056	(223 33)
Work in progress	119 827 892	124 926 418	-	-	(52 376 311)	-	-
	<b>1 125 403 081</b>	<b>181 525 951</b>	<b>(229 717)</b>	<b>391 013 775</b>	<b>(52 376 311)</b>	<b>351 634</b>	<b>(26 405 37)</b>

#### Pledged as security

The municipality did not pledge any of its assets as security.

All property, plant and equipment is being fully utilised by the municipality. There is therefore no idle property, plant and equipment.

The carrying amount of property, plant and equipment does not materially differ to the fair value of the disclosed property, plant and equipment.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 9. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	613 000	(138 679)	474 321	613 000	(138 679)	474 321

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015		
<b>9. Intangible assets (continued)</b>				
<b>Reconciliation of intangible assets - 2016</b>				
	Opening balance	Total		
Computer software, other	474 321	474 321		
<b>Reconciliation of intangible assets - 2015</b>				
	Opening balance	Additions	Amortisation	Total
Computer software	314 007	245 774	(85 460)	474 321
<b>10. Unspent conditional grants and receipts</b>				
In the current year the municipality does not have unspent conditional grants because all the allocated grants were fully utilized except for the Library Grant.				
<b>Unspent conditional grants and receipts comprises of:</b>				
<b>Unspent conditional grants and receipts</b>				
Library Grant	1 133 530			
See note 20 for reconciliation of grants from National/Provincial Government.				
<b>11. Long-term liabilities</b>				
<b>At amortised cost</b>				
Development Bank of South Africa- Short term portion				
	784 454			
	784 507			
Loan number:	101251/1			
Starting date:	01/07/2007			
Redemption date:	30/06/2017			
Capital and Interest repayment frequency:	6 Months			
Interest rate:	1.000% (Fixed)			
Development Bank of South Africa				
	1 153 229			
	1 802 600			
Loan number:	101797/1			
Starting date:	01/07/2011			
Redemption date:	30/06/2027			
Capital and Interest repayment frequency:	6 Months			
Interest rate:	8.848% (Fixed)			
	1 937 683			
	2 587 107			
<b>Total other financial liabilities</b>				
	1 937 683			
	2 587 107			
<b>Non-current liabilities</b>				
<b>At amortised cost</b>				
	1 153 229			
	1 802 600			
<b>Current liabilities</b>				
<b>At amortised cost</b>				
	784 454			
	784 507			

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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### 12. Payables from exchange transactions

Accrual of 13th cheque	1 126 414	1 126 423
Accrued bonus	2 706 114	10 029
Accrued leave pay	2 375 776	2 375 776
Debtors with credit balances	17 108 584	17 108 584
Deposits received	400	400
Other payables - third parties	19 888 312	14 300 606
Unallocated deposits	11 981	11 981
Sundry deposits	668 935	668 935
Trade payables	3 141 305	3 200 566
	<b>47 027 821</b>	<b>38 803 300</b>

### 13. VAT payable

### 14. Provisions

#### Reconciliation of provisions - 2016

	Opening Balance	Additions	Total
Provision for landfill site	1 565 000	1 953 969	3 518 969

#### Reconciliation of provisions - 2015

	Opening Balance	Utilised during the year	Total
Provision for landfill site	1 845 171	(280 171)	1 565 000

#### Provision for environmental rehabilitation

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs. A valuation was performed by independent experts and the related report is available for inspection at the municipal main offices.

### 15. Investment revenue

#### Interest revenue

Bank	2 706 138	1 155 435
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### 16. Other income

Admin fees	14 885	13 550
Cemetery fees	228	202
Grading fees	22 025	3 316
Insurance claims received	461 226	17 322
Other income 9	60 600	73 939
Other water charges	-	226 426
Photocopies	20 738	9 786
Profit on disposal of assets	1 422 204	-
Rental income	1 579	4 561
Skills development claims income	8 008	18 732
Telephone cost reclaimed	236 382	118 931
Tender documents	133 055	246 192
Water connection fees	70 328	92 415
	<b>2 451 258</b>	<b>825 372</b>

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>17. Rental of facilities and equipment</b>		
<b>18. Service charges</b>		
Sale of electricity	5 259 100	4 554 753
Sale of water	22 822 755	13 571 487
Solid waste	976 133	867 640
Sewerage and sanitation charges	1 886 904	1 556 989
	<b>30 944 892</b>	<b>20 550 869</b>
<b>19. Property rates</b>		
<b>Rates received</b>		
Agricultural	24 572 449	18 130 272
Commercial	1 321 171	2 048 771
Residential	7 460 408	10 323 062
Less: Rebates	(22 936 020)	(20 076 067)
	<b>(15 475 612)</b>	<b>(9 753 005)</b>
	<b>10 418 008</b>	<b>10 426 038</b>

Property rates are levied monthly on a fair market value on properties and are payable the 1st working day of each month.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>20. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	115 253 000	93 255 000
Finance Management Grant (FMG)	1 675 000	1 600 000
Library Grant	371 470	969 000
Municipal Systems Improvement Grant (MSIG)	930 000	934 000
	<u>118 229 470</u>	<u>96 758 000</u>
<b>Capital grants</b>		
ACIP Sanitation	-	28 642 962
Extended Public Works Programme	2 336 000	1 969 000
Municipal Infrastructure Grant (MIG)	63 599 000	57 058 000
Kumba Iron Ore SLP (Other conditional grants)	9 408 506	7 066 676
Rural Household Infrastructure Grant	14 849 510	5 016 685
Water Operation and Subsidy Grant	22 500 000	10 000 000
Municipal Water Infrastructure Grant (MWIG)	60 000 000	50 000 000
	<u>97 349 510</u>	<u>65 016 685</u>
	<u><b>290 922 486</b></u>	<u><b>256 511 323</b></u>

#### Equitable Share

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

#### Extended Public Works Programme

Current-year receipts	2 336 000	1 969 000
Conditions met - transferred to revenue	(2 336 000)	(1 969 000)
	<u>-</u>	<u>-</u>

The grant is used for public works programmes and focuses on job creation through implementation of labour intensive projects.

#### Financial Management Grant (FMG)

Current-year receipts	1 675 000	1 600 000
Conditions met - transferred to revenue	(1 675 000)	(1 600 000)
	<u>-</u>	<u>-</u>

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG also pays for the cost of the Financial Management Internship Programme (eg. salary costs of the Financial Management Interns).

#### Municipal Infrastructure Grant (MIG)

Current-year receipts	63 599 000	57 058 000
Conditions met - transferred to revenue	(63 599 000)	(57 058 000)
	<u>-</u>	<u>-</u>

MIG is a conditional grant that was established to address national priorities regarding municipal infrastructure that may not be realised through unconditional grants such as equitable share. Among other conditions no MIG funds may be spent outside the framework of the municipality's existing Integrated Development Plan and its approved budget.

#### Library Grant



## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>20. Government grants and subsidies (continued)</b>		
Current-year receipts	1 505 000	969 000
Conditions met - transferred to revenue	(371 470)	(969 000)
	<b>1 133 530</b>	<b>-</b>

The grant is received from the provincial Department of Sport, Arts and Culture to transform urban and rural community library infrastructure, facilities and services through a recapitalised programme at provincial level in support of local government and national initiatives.

#### Municipal Water Infrastructure Grant (MWIG)

Current-year receipts	60 000 000	50 000 000
Conditions met - transferred to revenue	(60 000 000)	(50 000 000)
	<b>-</b>	<b>-</b>

The grant is received to facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service

#### Municipal Systems Improvement Grant (MSIG)

Current-year receipts	930 000	934 000
Conditions met - transferred to revenue	(930 000)	(934 000)
	<b>-</b>	<b>-</b>

The grant was used to assist in building capacity in the district and local municipalities to ensure that the new development system of local government is fully implemented.

#### Rural Household Infrastructure Grant

Current-year receipts	14 849 510	5 016 685
Conditions met - transferred to revenue	(14 849 510)	(5 016 685)
	<b>-</b>	<b>-</b>

To provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependent services are not viable.

#### Water Operation and Subsidy Grant

Current-year receipts	22 500 000	10 000 000
Conditions met - transferred to revenue	(22 500 000)	(10 000 000)
	<b>-</b>	<b>-</b>

The subsidy is utilised to subsidise, refurbish and restore the functionality of water services schemes previously owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department.

#### Kumba Iron Ore SLP (Other conditional grants)

Current-year receipts	9 408 506	7 066 676
Conditions met - transferred to revenue	(9 408 506)	(7 066 676)
	<b>-</b>	<b>-</b>

The purpose of the grant is to ensure that holders of mining or production rights contribute towards the socio economic development of the areas in which they operate.

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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#### 21. Public contributions and donations

Public contributions and donations	-	4 977 620
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The municipality received donations from the mine of road infrastructure.

#### 22. Revenue

Government grants & subsidies	290 922 486	256 511 323
Interest received (trading)	7 337 104	4 583 384
Interest received - investment	2 706 138	1 155 435
Other income - (rollup)	2 451 258	825 372
Sundry revenue	366 993	1 708 460
Property rates	10 418 008	10 426 038
Public contributions and donations	-	4 977 620
Service charges	30 944 892	20 550 869
	<b>345 146 879</b>	<b>300 738 501</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Interest received (trading)	7 337 104	4 583 384
Interest received - investment	2 706 138	1 155 435
Other income - (rollup)	2 451 258	825 372
Service charges	30 944 892	20 550 869
	<b>43 439 392</b>	<b>27 115 060</b>

The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
Property rates	10 418 008	10 426 038
Sundry revenue	366 993	1 708 460
<b>Transfer revenue</b>		
Government grants & subsidies	290 922 486	256 511 323
Public contributions and donations	-	4 977 620
	<b>301 707 487</b>	<b>273 623 441</b>

#### 23. Bulk purchases

Electricity	5 992 490	6 491 065
Water	4 103 002	4 612 897
	<b>10 095 492</b>	<b>11 103 962</b>

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from Rand Water.

#### 24. Contracted services

Specialist Services	-	465 600
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#### 25. Debt impairment

Debt impairment	79 248 917	(59 839 362)
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## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>26. Depreciation and amortisation</b>		
Property, plant and equipment	57 117 989	26 490 835
The depreciation increased in the current year due to newly found assets included in the asset register.		
<b>27. Finance costs</b>		
Current borrowings	201 738	146 325
Other interest paid	3 462 104	56 165
	<b>3 663 842</b>	<b>202 490</b>
<b>28. General expenses</b>		
Advertising	428 292	622 199
Auditors remuneration	3 309 231	3 901 391
Assets disposal loss	153 431	131 726
Cleaning	133 606	61 987
Commission paid	6 682 768	-
Computer expenses	(254 323)	-
Consulting and professional fees	3 031 439	3 114 767
Stores and materials	-	7 444
Entertainment	208 166	264 567
Insurance	611 940	591 065
Departmental expenses	300 035	615 088
Conferences and seminars	54 432	17 490
IT expenses	77 416	333
Electricity consumption	26 950	95 870
Horticulture	18 400	(111 350)
Magazines, books and periodicals	175 199	183 764
Motor vehicle expenses	45 611	3 540 818
Fuel and oil	5 744 585	4 978 014
Indigent subsidies	22 016	21 464
Security (Guarding of municipal property)	2 062 565	963 060
Software expenses	323 964	(173 832)
Subscriptions and membership fees	508 745	502 079
Telephone and fax	3 698 801	3 521 557
Training	310 366	925 934
Travel - local	3 068 459	3 284 535
Departmental expenses	4 320 821	3 392 353
Uniforms	265 430	216 531
Tourism development	-	44 203
Pump operation cost	1 869 500	1 773 243
Indigent subsidies	2 950 380	3 090 914
Small, medium and micro enterprises support	9 100	-
Valuation roll expenses	-	635 058
Ward committee expenses	1 355 799	1 209 277
Electricity consumption	-	31 980
Computer expenses	199 921	168 110
Name branding	99 698	48 395
Internal audit fees	1 753 934	1 037 973
Capacity buildings	238 448	484 588
Chemicals	1 000	12 300
	<b>43 806 125</b>	<b>39 204 895</b>

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>29. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Government grants	60 619 722	18 379 122
Reversal of income held as an agent	(5 213 082)	-
	<b>55 406 640</b>	<b>18 379 122</b>

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>30. Employee related costs</b>		
Basic	30 765 207	26 616 557
Bonus	2 011 049	2 020 099
Cell phone allowances	499 800	431 650
Defined contribution plans	4 928 962	4 263 102
Housing benefits and allowances	2 528 927	2 124 249
Leave pay provision charge	-	513 301
Long-service awards	2 207 732	112 455
Medical aid - company contributions	3 177 775	2 824 764
Non pensionable allowances	891 726	503 098
Overtime payments	1 766 348	1 697 864
SDL	489 778	407 916
Transport allowance (bus coupons)	7 159 443	5 678 362
UIF	286 960	253 270
	<b>56 713 707</b>	<b>47 446 687</b>

Key management personnel:

### Remuneration of municipal manager

Annual Remuneration	604 950	655 006
Car Allowance	360 000	-
Subsistence Allowance	80 400	440 400
Other	119 000	151 397
	<b>1 164 350</b>	<b>1 246 803</b>

Mr T.M. Bloom was appointed as municipal manager on 2 February 2012, he was still the active municipal manager on year end.

### Remuneration of Chief Finance Officer

Annual Remuneration	465 105	472 940
Car Allowance	207 275	228 465
Housing Allowance	154 214	-
Cellphone Allowance	14 400	14 400
Other	12 000	97 501
	<b>852 994</b>	<b>813 306</b>

Mrs. B.D. Motlhapeng was appointed as chief financial officer on 1 June 2012, she was still the active chief financial officer on year end.

### Remuneration of the corporate services manager

Annual Remuneration	402 817	432 579
Car Allowance	210 000	210 000
Bonuses	-	153 996
Other	204 777	38 086
	<b>817 594</b>	<b>834 661</b>

### Remuneration of the community services manager

Annual Remuneration	485 104	557 899
Car Allowance	218 488	251 509
Other	119 029	25 151
	<b>822 621</b>	<b>834 559</b>

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>30. Employee related costs (continued)</b>		
<b>Remuneration of the technical services manager</b>		
Annual Remuneration	463 598	518 909
Car Allowance	192 000	192 000
Other	153 996	14 400
Other	-	147 996
	<b>809 594</b>	<b>873 305</b>
<b>Remuneration of the local IDP manager</b>		
Annual Remuneration	472 413	514 445
Car Allowance	224 000	224 000
Other	136 181	22 400
Other	-	38 086
	<b>832 594</b>	<b>798 931</b>
<b>31. Remuneration of councillors</b>		
Mayor	622 664	702 295
Speaker	515 537	565 254
Councillors	5 593 224	6 435 820
Councillors' pension contribution	772 335	827 986
	<b>7 503 760</b>	<b>8 531 355</b>
<b>In-kind benefits</b>		
The Executive Mayor has use of a Council owned vehicle for official duties.		
The Mayor has a full-time secretary and driver at the expense of the municipality.		
<b>32. Repairs and maintenance</b>		
Repairs and maintenance	10 540 698	18 214 760

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>33. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2016</b>		
<b>Financial assets</b>		
<b>Financial liabilities</b>		
<b>2015</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Trade and other receivables from exchange transactions	57 955 220	57 955 220
Other receivables from non-exchange transactions	1 245 014	1 245 014
	<b>59 200 234</b>	<b>59 200 234</b>
<b>Financial liabilities</b>		
<b>34. Other revenue</b>		
Other income - (rollup)	2 451 258	825 372
<b>35. Auditors' remuneration</b>		
Fees	3 309 231	3 901 391
<b>36. Cash generated from operations</b>		
Surplus	661 347	199 500 875
<b>Adjustments for:</b>		
Depreciation and amortisation	57 117 989	26 490 835
Debt impairment	79 248 917	(59 839 362)
Movements in retirement benefit assets and liabilities	223 902	434 445
Movements in provisions	1 953 969	(280 171)
Other non-cash items	(5)	12
<b>Changes in working capital:</b>		
Inventories	220 331	163 699
Receivables from non-exchange transactions	8 339 874	(10 264 913)
Consumer debtors	(44 988 794)	35 949 224
Payables from exchange transactions	8 224 530	12 188 649
VAT	(703 394)	(4 112 994)
Unspent conditional grants and receipts	1 133 530	-
	<b>111 432 196</b>	<b>200 230 299</b>

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>37. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Investment property	- 36 812 447	
• Investments in controlled entities	- 802 142	
	<b>- 37 614 589</b>	
<b>Total capital commitments</b>		
Already contracted for but not provided for	- 37 614 589	

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

### 38. Contingencies

Litigation is in the process against the municipality relating to a dispute whereby the resident has lodged a case against the municipality and Eskom for damages arising from injuries sustained caused by the electrical wire which was utilized for the purpose of distributing and transmitting electrical current in the municipality's area of jurisdiction and is seeking damages of R 12 950 000. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely as distribution of electricity is not municipality competence, and the case should be resolved.

The municipality has been trading in sales of prepaid electricity since 2012. In terms of National Energy of South Africa (NERSA) Act no one may be involved in the trading of electricity without the license issued by the Regulator. The municipality has however applied and the outcome is still pending. The municipality may face possible penalties should NERSA take action against the municipality for non-compliance. As at year-end no action was taken by the Regulator.

As at year-end, the municipality was not involved in any other litigation claims except listed above. Therefore no other contingent liabilities or assets are disclosed.



# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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### 39. Related parties

#### Relationships

#### Members of key management and their close family members

TM Bloom	Refer to note 30
BD Motlaping	Refer to note 30
TJ Gopetse	Refer to note 30
KV Phiri	Refer to note 30
KJ Mabudi	Refer to note 30
TS Tlaole	Refer to note 30

#### Ward councillors and their close family members

Cllr. N Mokweni  
 Cllr. O Kaotsane  
 Cllr. S Ortel  
 Cllr. K Shuping  
 Cllr. S Matshidiso  
 Cllr. G Sephekelo  
 Cllr. K Modise  
 Cllr. E Molawa  
 Cllr. G Moriri  
 Cllr. D Kubang  
 Cllr. P Segaletsho  
 Cllr. S Moagi  
 Cllr. H Kgopodithata  
 Cllr. D Josop  
 Cllr. T Teteme

#### Party representatives

Cllr. J Freedman  
 Cllr. MC Tihelo  
 Cllr. TP Tshipo (Deceased)  
 Cllr. K Ditshetelo  
 Cllr. S Segano  
 Cllr. B Matlhomantsho  
 Cllr. V Jordan

#### EXCO Members

Cllr. BM Mbolekwa  
 Cllr. N Selebalo  
 Cllr. K Mosiapoe  
 Cllr. EO Leshope

Other than the related disclosed above, the municipality does not have any other related parties. For remuneration of councillors refer to note 31. No transactions occurred with related parties during the reporting period other than those at arms length as consumers of municipal services.

### 40. Accounting officers emoluments

Heading	Emoluments	Total
Executive	-	-
2015	-	-
Mr. TM Bloom	1 246 803	1 246 803
Executive	-	-
2014	-	-
Mr. TM Bloom	1 114 151	1 114 151
	<b>2 360 954</b>	<b>2 360 954</b>

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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### 41. Prior period errors

Property, Plant and Equipment has been restated to reflect the correct figures as per the fixed assets register. The municipality embarked on a process of unbundling of its infrastructure assets. It was during this process that property, plant and equipment increased due to new assets that were identified and included in the asset register.

The correction of the error(s) results in adjustments as follows:

#### Statement of financial position

Increase in property, plant and equipment	- 391 013 774
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### 42. Risk management

#### Interest risk

As the municipality has no significant interest - bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rate.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to a fair interest rate risk. Municipality is to maintain all of its borrowings in a fixed rate instruments.

#### Capital risk management

The capital structure of the municipality consist of the debt, cash and cash equivalent and equity as disclosed in the Statement of Financial Position.

There are no externally imposed capital requirements

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. The municipality does not perform an evaluation of the credit risk relating to its customers and therefore risk limits are not set.

### 43. Going concern

We draw attention to the fact that at 30 June 2016, the municipality had accumulated surplus of R 1 624 279 422 and that the municipality's total assets exceed its liabilities by R 1 624 279 422. The use of the going concern principle is appropriate.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 44. Events after the reporting date

The municipality is unaware of any events after the reporting date which required disclosure and or adjusting events.

## Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

### Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>45. Unauthorised expenditure</b>		
Unauthorised expenditure	285 677 693	243 424 305
Current year	100 223 960	42 253 388
<b>Unauthorised expenditure under investigation</b>	<b>385 901 653</b>	<b>285 677 693</b>

The above unauthorised expenditure is within the votes and is as a result of overspending on various votes on the budget, therefore the total approved expenditure is overspend. This is unauthorised expenditure was tabled to council in accordance with section 23 (6) of the Budget and Reporting Regulations.

Council is currently investigating the opening balance and current fruitless and wasteful expenditure, irregular expenditure and unauthorised expenditure which is not quantified above.

#### 46. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	1 064 828	953 502
Current year	14 795	111 326
<b>Fruitless and wasteful expenditure under investigation</b>	<b>1 079 623</b>	<b>1 064 828</b>

Fruitless and wasteful expenditure was due to the late payment of some of the municipalities' accounts. Council is currently investigating the opening balance and current fruitless and wasteful expenditure, irregular expenditure and unauthorised expenditure which is not quantified above.

#### 47. Irregular expenditure

Opening balance	81 260 920	79 433 930
Add: Irregular Expenditure - current year	7 459 822	1 826 990
<b>Irregular expenditure under investigation</b>	<b>88 720 742</b>	<b>81 260 920</b>

The Irregular expenditure listed above arose as a result of various non-compliances to the Supply Chain Regulation as well as non-compliance to the Supply Chain Policy of the municipality. Further explanations and descriptions are listed in the Deviation registers. Council is currently investigating the opening balance and current fruitless and wasteful expenditure, irregular expenditure and unauthorised expenditure which is not quantified above.

#### 48. Additional disclosure in terms of Municipal Finance Management Act

##### Skills development levy

Amount paid	489 778	407 916
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##### Industrial council levy

Amount paid	16 950	14 638
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# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>48. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
<b>Medical aid contributions</b>		
Amount paid	3 177 775	2 824 765
<b>Distribution losses</b>		
<i>Non-Technical losses:</i>		
Non-Technical losses are amongst others the result of administrative and technical errors, negligence, theft of electricity cables, tampering with meters and connections which form part of illegal consumption, faulty meters, vandalised stand-pipes etc.		
<i>Technical losses:</i>		
Technical losses are the result electricity losses while being distributed from the source of generation through the transmission and distribution network to the final consumer. The wires (copper or aluminium) being used to distribute electricity has certain resistance which resist the throughput of current, as a result there is a certain portion of electricity that is lost due to distribution.		
Technical losses of water are the result of losses between bulk water purchases less the water distributed to consumers. Alternatively, this can be measured as total water stored in tanks less water distributed to consumers.		
<i>Water:</i>		
In the current year there were no technical and financial losses for water distribution. However, there were no-technical losses of water which took place which are not quantifiable due to the nature of the losses.		
<i>Electricity:</i>		
In the current year the energy losses were. These losses are the result of theft, vandalism, faulty meters and variances in monthly consumption estimates. Management has determined that the se losses are not recoverable. Due to the lack of kva meters, the municipality is incurring a loss as Eskom is billing kva while the municipality is not doing so yet.		
kWh - units	2 847 704kw	(2015: 742 696 kw)
Rand value	R1 186 602.28	(2015: R777 044)
Percentage	52%	(2015: 27%)
<b>Audit fees</b>		
Current year subscription / fee	2 830 523	3 901 391
<b>PAYE and UIF</b>		
Current year subscription / fee	7 429 511	6 949 128
Amount paid - current year	(7 429 511)	(6 949 128)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	1 557 347	7 087 866
Amount paid - current year	(1 557 347)	(7 087 866)
	-	-

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
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### 48. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### VAT

VAT receivable	4 290 274	3 586 880
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VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

#### Councillors' arrear consumer accounts

Only one Councillor had arrear accounts outstanding for more than 90 days at 30 June 2016:

30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor K. Shuping	255	1 022	1 277

Only Cllr K Shuping of Joe Morolong Local Municipality's Council had consumer accounts in arrears as at year end.

### 49. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the audited annual financial statements.

Buses and gym equipment were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

### 50. Employee benefit obligations

#### Long service award provision

The long service awards are provided to employees who achieve certain pre-determined milestone of service within the municipality. The municipality's obligation under these plans is valued by the independent qualified actuaries periodically and the corresponding liability is raised. Payment are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the statement of financial performance as employee benefits upon valuation. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions is charged or credited to the Statement of financial performance in the period that it occurs.

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>50. Employee benefit obligations (continued)</b>		
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Opening accrued liability	(1 165 811)	(692 967)
Current service cost	(188 892)	(140 812)
Interest cost	(89 046)	(56 165)
Expected benefit vestings	118 907	14 346
Actuarial gain/(loss)	(64 871)	(290 213)
	<b>(1 389 713)</b>	<b>(1 165 811)</b>
 Non-current liabilities	 (1 273 325)	 (1 046 904)
Current liabilities	(116 388)	(118 907)
	<b>(1 389 713)</b>	<b>(1 165 811)</b>

Discount Rate: IAS19 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant and as prescribed in GRAP25, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used.

Consequently, a discount rate of 7.66% per annum has been used. This rate does not reflect any adjustment for taxation. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 1.13%. These rates do not reflect any adjustment for taxation.

### 51. Budget differences

#### Material differences between budget and actual amounts

Material differences are those over 15% and/or R 2m. The main reasons for the material differences are:

1. Service charges - Actual billing was higher than budgeted because due to debtor information verification and improvement in controls.
2. Interest trading - A large debtors book resulted in high interest being charged to consumer accounts.
3. Other income - Income received from rental resulted... in other income being significantly higher than budgeted for.
4. Property rates - Higher revenue was billed due to the implementation of the supplementary valuation roll.
5. Government grants and receipts, Public contributions and transfer payments - These are similar in nature and the difference is only due to re-classifications of amounts recognised in revenue. The net difference is not material.
6. Depreciation - There is an increase in depreciation due to a number of large projects being completed and now increasing the annual depreciation charge while there were very little asset disposals.
7. Repairs and maintenance - The difference between actual expense and budget is that
8. Grants and subsidies paid -

#### Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. For details on these changes please refer to pages to in the annual report.

The changes between the approved and final budget are a consequence of changes in the overall budget parameters. For details on these changes please refer to pages to in the annual report

# Joe Morolong Local Municipality

(Registration number NC 451)

Audited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Audited Annual Financial Statements

Figures in Rand	2016	2015
<b>52. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	18 336 439	-
- in second to fifth year inclusive	26 472 423	-
	44 808 862	-
less: future finance charges	(7 138 911)	-
<b>Present value of minimum lease payments</b>	<b>37 669 951</b>	<b>-</b>
<b>Present value of minimum lease payments due</b>		
- within one year	13 866 195	-
- in second to fifth year inclusive	23 803 756	-
	37 669 951	-
Non-current liabilities	13 866 194	-
Current liabilities	23 803 757	-
	37 669 951	-

It is municipality policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 24% (2015: -%).

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 8.

### 53. Retention fees

	2016	2015
Amount payable to service providers	12 906 171	1 348 193

**Joe Morolong Local Municipality**  
**Appendix A**  
June 2016

**Schedule of external loans as at 30 June 2015**

Loan Number	Redeemable	Balance at 30 June 2015	Received during the period	Redeemed written off during the period	Balance at 30 June 2016	Carrying Value of Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
<b>Development Bank of South Africa</b>							
DBSA @ 8.848%	30/06/2027	2 309 959	-	-	2 309 959	-	-
DBSA @ 1 %	01/07/2017	627 492	-	-	627 492	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		<b>2 937 451</b>	-	-	<b>2 937 451</b>	-	-
Bonds		-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Lease liability		-	-	-	-	-	-
Annuity loans		-	-	-	-	-	-
Government loans		-	-	-	-	-	-
<b>Total external loans</b>							
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
Development Bank of South Africa		2 937 451	-	-	2 937 451	-	-
Bonds		-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Lease liability		-	-	-	-	-	-



**Joe Morolong Local Municipality**

## Appendix A

June 2016

**Schedule of external loans as at 30 June 2015**

Loan Number	Redeemable	Balance at 30 June 2015	Received during the period	Redeemed written off during the period	Balance at 30 June 2016	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		2 937 451	-	-	2 937 451	-	-

Annuity loans  
 Government loans

**Joe Morolong Local Municipality  
Appendix F  
Disclosures of Grants and Subsidies  
June 2016**

[illegible]

**Note:** A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.